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1.4 CRORE SURPLUS IN MADRAS BUDGET

No New Taxes

SCHOOL CONCESSION FOR VOs' CHILDREN

MADRAS, Mar. 2.

No new taxation is proposed in a Rs. 139 lakhs surplus budget for the year 1959-'60, presented to the State Legislative Assembly today by the Finance Minister Mr. C. Subramaniam. This surplus, however, is expected to be wiped out by the interim relief given recently to public servants.

MR. SUBRAMANIAM, who announced that as against a surplus of Rs. 15 lakhs originally estimated for the year 1958-'59, the revised estimates had shown a surplus of Rs. 265 lakhs, said the improvement in the State's financial position could generally be attributed to the improvement in the economy of the State even in the absence of substantial grants-in-aid.

Mr. Subramaniam announced that Government had decided to extend to the children of village officers, with effect from 1959-60, the same educational concessions that were now being given to the children of the non-gazetted Government servants studying in the IV, V and VI Forms.

Mr. Subramaniam said that the State Government had been told by the Centre that its share in the Central taxes would be more than "what we had expected." Under the revised estimates for 1958-'59, the State expected an increase of Rs. 295 lakhs under Sales Tax and Rs. 28 lakhs under the Motor Vehicles Tax. But, he said, under the Agricultural Income Tax as extended to non-plantation incomes the receipts were expected to be less.

Remarking that no difficulty was anticipated in the resources position in the current year, the Finance Minister said it was proposed to float an open market loan of Rs. 6 crores during 1959-60.

Mr. Subramaniam said Rs. 3,464 lakhs had been provided in the Budget for the State Plan in 1959-60, as against Rs. 3,362 lakhs agreed at the discussions with the Planning Commission. Larger provisions had been made for irrigation and handloom schemes.

Mr. Subramaniam said that during the four years ending 1959-60, the State would have spent Rs. 128 crores against a total Plan of Rs. 152

(Continued on Page 5 Column 1)

General Relief

COLOURLESS BUDGET SAY OPPOSITION

MADRAS, March 2.

JUDGING by the cheers that greeted the Finance Minister's announcement about the absence of any proposal for additional taxation in the Budget year and a handsome revenue surplus under the revised estimates for 1958-59 beyond what was anticipated, the immediate reaction of the Assembly to the Madras Budget may be said to be one of general relief.

The Opposition as a whole feel, however, disappointed that no positive tax relief has been given to the citizen and no concrete steps had been proposed for increasing the employment potential or bringing down the present high cost of living.

Mr. V.K. Ramaswami Mudaliar, Leader of the Opposition, said nothing was proposed to ease the tax burden, nor was any measure indicated to arrest the high cost of living. Considered from any point of view it was "a colourless Budget."

Mr. K.S. Karayalar (Ind.) also

(Continued on Page 6 Column 8)

Talks Useful, Say Khrushchev & Mac

MOSCOW, Mar. 2

Mr. Macmillan went to a reception given by the Soviet Government in the Kremlin early this evening. He was greeted by Mr. Khrushchev.

Mr. Khrushchev declared tonight that he was "well content" with his talks with Mr. Macmillan. Speaking at the Kremlin reception he added that the talks had led to a clarification of their viewpoints and would be useful in the negotiations ahead.

Proposing the health of Mr. Macmillan, Mr. Lloyd and other members of the British delegation, Mr. Khrushchev referred to the varying temperatures in the atmosphere during the talks. But he added: "We know each other's viewpoint better."

Mr. Khrushchev said the Soviet Union hoped that Mr. Macmillan's forthcoming meetings with his Allies, and Russia's meetings with hers, would work out solutions of major problems acceptable to both sides and designed to end the cold war.

He took up Mr. Macmillan's remark that the visit was a "reconnaissance" and said he hoped something would result from the talks which would be welcome to the people of the Soviet Union, Britain and the world.

Mr. Khrushchev said the Soviet Union had proposed a non-aggression pact between the Soviet Union and Britain, believing this to be useful not only to the two powers concerned but for universal peace.

Under the pact, he said, both powers would refrain from attacking the other, would agree not to use armed forces and not to allow the establishment of foreign military bases on their territories and to take steps to liquidate bases which already exist.

Mr. Khrushchev said he believed that any differences of opinion could be resolved in a spirit of mutual understanding by negotiations and in accordance with the U.N.

He said greater understanding between the two countries would be good not only for the countries concerned but in genreal.

Mr. Macmillan, replying to the toast, took up Mr. Khrushchev's reference to an non-aggression pact and said that his views, which he had earlier stated to the Soviet delegation, were:

1. All disputes between the two countries should be settled on the basis of the U.N. Charter.

2. Nothing should be done by either side to prejudice the rights of national interest of the other.

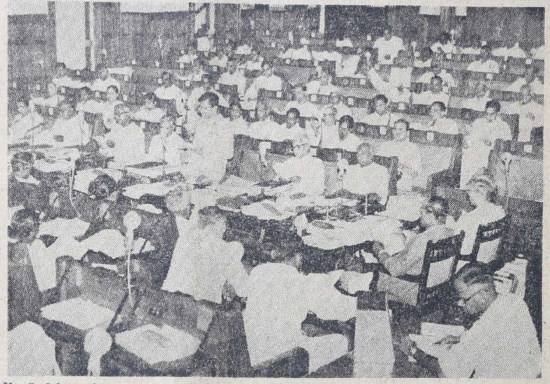
On the basis of these principles, the two Governments should agree that disputes should be settled by negotiation and not by force.

Mr. Macmillan repeated his belief that the talks in Moscow have been "a valuable preparation for the wider international negotiations which must follow."

TELEVISION ADDRESS

Mr. Macmillan, speaking to an estimated five million Russians in a television address, said tonight that in the present state of the world, military conflict between the great powers could bring victory to none but must "mean disaster for all."

He added: "Similarly in the political field, an attempt to gain total victory may well produce disaster. So let us work together with patience and understanding."



Mr. C. Subramaniam, the Madras Finance Minister, is seen presenting the State Budget for 1959-60 in the Assembly on Mar. 2.

MILLERS & MIRASDARS WARNED

Refusal To Sell Rice At Ceiling Prices Will Lead To Requisitioning

MADRAS, Mar. 2.

MR. M. BAKTHAVATSALAM, Minister for Agriculture, told the Legislative Council today that the State Government proposed to resort to "requisitioning" of stocks of rice and paddy in the event of resistance by mirasdars and millers to sales of paddy and rice at the ceiling price.

During question-hour, Mr. Raza Khan asked the Minister what action Government proposed to take in the event of resistance of mirasdars and millers to sell their stocks in the hope of getting a better price.

Minister: In such cases, Government have power to requisition stocks of foodgrains. Government do propose to requisition stocks.

Mr. T. P. Srinivasa Varadan asked whether it was a fact that wholesale merchants refused to purchase paddy.

Minister: I have seen a report in the Press that wholesale merchants of Salem propose not to co-operate and to give up their business. I do not know how far they mean it.

Answering other questioners, the Minister said that according to procurement figures received five days back, a total of 6,000 tons had been procured against the target of 2 lakh tons. They did not attach importance to the quantum of procurement. Procurement was done mainly to enforce the ceiling price.

Mr. John Stonehouse, British Labour M.P. ordered out of the Rhodesian Federation, was jeered on March 2 by White settlers at Ndola (Northern Rhodesia) before leaving by air for Lusaka.

RUSSIA AGREES TO MINISTERS' TALKS

—CONCEDES WESTERN DEMAND

MOSCOW, Mar. 2.

RUSSIA in a new note today conceded the Western demand for a Foreign Ministers' Conference before summit talks, while Mr. Macmillan's final Kremlin interview with Mr. Khrushchev was described as "all honey and flowers."

The British official who used this term said the Soviet Premier took very well the many points made by the Prime Minister in a general discussion on international questions. He added, "We regard this as a limited triumph for Mr. Macmillan."

The talk, which lasted nearly two hours, is believed to have covered the note, just delivered, as well as disarmament, disengagement, European security, and the Khrushchev proposal for an Anglo-Soviet non-aggression pact.

VIENNA OR GENEVA AS VENUE

The Soviet Union proposed today that an East-West Foreign Ministers' Conference should meet in Vienna or Geneva some time next month.

A Soviet note to the Western Pow-

RAY OF HOPE

WASHINGTON, Mar. 2

State Department officials said today's Soviet note conditionally accepting a Foreign Ministers' Conference on Germany appeared to be a ray of hope in the crisis clouds that had appeared in the last 10 days.

ers issued in Moscow said the Soviet Government wanted a summit conference in Vienna or Geneva next month, but was ready to hold a Foreign Ministers' Conference instead should the Western Powers not be ready for a summit conference. It

(Continued on Page 6 Column 2)

Babuji . . .

"Officers are in conference most of the time—Why not they give us powers to dispose of these files?"

No Further Action Against Mathai

PRIVILEGE BODY'S SUGGESTION

NEW DELHI, Mar. 2.

The Privileges Committee of the Rajya Sabha has recommended that the House should proceed no further in the matter of breach of privilege raised against Mr. M. O. Mathai, former Special Assistant to the Prime Minister, "in view of the regret expressed and unqualified apology tendered by Mr. Mathai."

The report of the Committee was presented to the Sabha today by its Chairman, Mr. S. V. Krishnamurthy Rao.

The charge against Mr. Mathai had been raised by Mr. Bhupesh Gupta and some other members in respect of certain remarks made by Mr. Mathai in his letter of resignation to the Prime Minister. The issue was referred to the Privileges Committee by the Chairman.

The Committee, in its report, said on an enquiry from the Secretary of the Sabha about the privilege motion Mr. Mathai, on Feb. 22, had expressed his regret and offered his unqualified apology.

In his letter Mr. Mathai said: "I deeply regret that certain remarks contained in my letter of resignation addressed to the Prime Minister referred to in your communication have given the impression that I meant to cast aspersions on Parliament. I should like to assure the Committee that it was never my intention to do so. Since my remarks seem to have given such an impression, I offer my unqualified apology for the same."

The Committee, in its unanimous report, said: "In view of the regret expressed and unqualified apology tendered by Shri Mathai, the Committee is of the opinion that the House will serve its own dignity if it proceeds no further in the matter. The Committee, therefore, recommends that no further action be taken by the House in the matter." —P.T.I.

U.S. Guarantee To Baghdad Nations

Conflicting Reports In Karachi

KARACHI, Mar. 2

The U. S. has agreed to give regional members of the Baghdad Pact a guarantee against any aggression including that from "any other quarter," according to a report here.

But a contradiction quoting knowledgeable sources appearing promptly in another newspaper says that the U. S. has not yet agreed to give any assurance of assistance in case of aggression "from any quarter."

The latter report says that the report conveying the impression that the U. S. has given in on this point was described by knowledgeable sources in Karachi as "highly tendentious."

The report quotes these sources to say that the proposed bilateral agreements have relevance only to Communist aggression which may be direct or indirect such as violent internal subversion.

One report forecasts the signing of bilateral agreements around March 20, while another report says that the signing is still subject to talks between the two Governments

Forward Trading In Paddy, Rice Banned

From Our Special Representative

NEW DELHI, Mar. 2

The Government of India has announced its decision today to ban, with immediate effect, forward contracts as well as non-transferable delivery contracts for the sale or purchase of rice and paddy.

Outstanding contracts entered into on or before Mar. 2, 1959, will be cleared at the rates prevailing at the close of business today.

The Government banned a few days ago forward trading in coarse grains and pulses, khandsari, gur and barley.

Three notifications were issued today under the Forward Contracts Regulations Act to give effect to the Government's decision.

Minister Warns, Compulsion To Boost Exports

NEW DELHI, Mar. 2.

The Commerce and Industry Minister, Mr. Lal Bahadur Shastri, said today that Government would give all reasonable incentives to step up exports but if industrialists and trade did not "play the game", an element of compulsion might have to be introduced.

MR. LAL BAHADUR, who was winding up the six-hour deliberations of the Export Promotion Council, said that Government would watch the export situation carefully and if there was no improvement "we may start with a scheme of compulsion for one or two commodities purely as a trial. If the scheme fails, naturally we will have to withdraw it".

"But for the time being, I still feel that if the industry and trade would come forward to co-operate fully with us it should not be necessary at all to introduce any element of compulsion," he added.

The Home Minister, Pandit Pant, who also addressed the Council, called for "a joint effort and concerted endeavour" by both Government and the industry and trade to increase export earnings and said, the achievement of a "self-feeding" economy by the end of the Third Plan would depend largely on the progress of exports.

Mr. Lal Bahadur's suggestions that the industries should bring about a 10 per cent increase over their present exports did not find favour with most of the leading spokesmen of the industry who felt that any kind of compulsion was fraught with practical difficulties, But Mr. Charat Ram, an industrialist member, said that Government should give up the laissez faire attitude and introduce statutory measures including fixation of export quotas

MORE RELIEF FOR TEA URGED

Representatives of the tea and the textile industries pleaded for further reliefs and incentives to improve ex-

(Continued on Page 6 Column 6)

European Common Market Hits Indian Exports

From Our Financial Correspondent

NEW DELHI, Mar. 2.

The Union Commerce and Industry Minister, Mr. Lal Bahadur Shastri, said here today that the six European Common Market countries had reduced duties and eased quota restrictions on their imports from one another and from their dependent overseas territories.

Not only did India not get the advantage of these reductions, but some of these countries applied quota restrictions on Indian goods though not on similar goods from other countries outside the community, Mr. Lal Bahadur added.

The Union Minister who was opening the second meeting of the Export Promotion Advisory Council said that the Government of India might be compelled to consider suitable ad-

(Continued on Page 6 Column 7)

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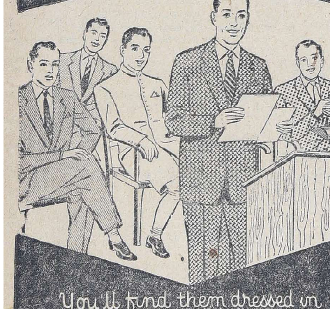

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THE INDIAN EXPRESS
MADRAS: MARCH 3, 1959

Think It Over

The truly generous is the truly wise, and he who loves not others, lives unblest.
—HENRY HOME.

Open Issues

BY introducing a high degree of "warmth and imagination" into the debate on the University Grants Commission, the members of the Rajya Sabha have laid bare some controversial issues possibly slurred over in the cold correctitude of the official report. One of the main aims of the Centre in creating and maintaining an autonomous University Grants Commission was the determination and co-ordination of standards in higher education and the discouragement of separatist forces which threatened to capture the Universities. Professor A. R. Wadia's scathing criticism makes it clear that the success of the U.G.C. can be measured only by the extent to which these objectives have been accepted by all parties concerned and are being realised in practice.

While the Government of India is placing substantial (though still inadequate) sums at the disposal of the U.G.C. and does not interfere in the distribution of grants for various purposes to various Universities, the State Governments are not prepared to give similar block grants and plead inability to provide matching funds even for specific purposes declared essential by the U.G.C. In the result, country-wide schemes for raising the scales of pay of teachers or for introducing desirable modifications are held up because of the unwillingness or alleged inability of State Governments to bear their share of financial burden. The Centre accepts, but the State Governments reject in effect, the enlightened doctrine that in education "he who pays the piper cannot call the tune". If high and uniform academic standards are to be preserved in our innumerable colleges, the power now claimed and exercised by State Governments to determine allocations for higher education and to withhold co-operation from the U.G.C. should be substantially reduced.

At the same time, control by a central, if autonomous, body like the University Grants Commission should not lead to any rigid or enforced uniformity in the medium or methods of teaching. In this connection, one must be thankful that Dr. Shrimali has explicity recognised the regional languages as the legitimate successors to English, notwithstanding Dr. Kunzru's plea that, in the interests of the country's unity, English should if at all, be replaced only by Hindi as the sole medium of higher teaching. The fear that an Indian language medium would lead to lowering of academic standards is as unfounded as the assertion of Mr. Avinashilingam Chettiar that the English medium is responsible for the current low standards.

The Union Minister's explanation, that indiscriminate selection and overcrowding in colleges are responsible for inefficiency and indiscipline, should be accepted. Cheapness and poor quality inevitably go together. What is urgently required is attention to the specific requirements of individuals and groups. Some students would fare better with the English medium and others with the regional language. It is the duty of the Universities, aided by the State Governments and under the general guidance of the U.G.C. to take all necessary steps for enabling the regional languages to become efficient media of higher teaching, while at the same time retaining English as the dominant medium today and as an optional medium for the foreseeable future.

MADRAS BUDGET

THERE are no surprises in the Madras Budget, though it is by no means a standstill affair. With a bigger surplus in hand, new taxation could be avoided. This has become unnecessary after the comprehensive adjustment of sales tax with upgrading on many items, and there is at present no specific Ways and Means problem to perturb the Government. But the food situation has begun to cast its shadow, and holding prices down by increased production is a task that now falls on the public as well as the authorities. The increase in agricultural output in recent years cannot induce complacency; more must be done to raise yields as much to help industry draw its raw materials as to increase the economic potential of the State.

The completion of all major irrigation schemes is a ground for reasonable optimism. The progress of organised industry has been brought out by the Budget speech which details the increase in factory workers, while the improvement in power supply will long be a sustaining factor. The attention given to small scale industry is a sign that funds and facilities are within the reach of the small man, now assured of a supply of skilled men from technical schools. Road transport, affected by the increase in the duty on tyres and on diesel oil, may derive some satisfaction from the extra provision of Rs. 29 lakhs made in the budget for highways.

The review of the State's favourable financial experience should be read in conjunction with the relief of Rs. 50 lakhs per annum expected by readjustment of interest on loans due to the Union Government. Though the anticipated surplus of Rs. 1.39 crores will be reduced by the cost of relief to NGOs, the State Government has made it clear that investment in electricity will be kept up and advances for approved purposes will continue. In view of plan outlay being maintained at Rs. 34.81 crores, there can be no doubt as to the successful implementation of the second Plan in the State. The trend of revenue receipts has certainly favoured the Madras Government and the yield of M. V. tax and sales tax is expected to be stable over the coming year. Irrigation receipts are also expected to rise, and the State is apparently doing well with the help of the new tax on railway fares. What is more calculated to reassure the public, is the increased expenditure on education, cooperation and industries, proving that the State is steadily marching ahead.

WHAT, NO BOX?

IT was as unfair of the Union Finance Minister, Mr. Morarji Desai, to dispense with the traditional box while presenting his Budget last week as it would be for a magician to produce rabbits without his hat. Everybody knows that it is not the hat or the box which really hatches the rabbits or the budgets, but they lend the operation its traditional glamour and mystery. Without them it becomes a prosaic, pedestrian affair. The budget box in the British Parliament, for example, is a hoary if somewhat battered relic. It is handed down like a heirloom and a Chancellor of the Exchequer would as much dare to appear without it on the budget day in the Commons as without his pin-striped pants. As divergent Chancellors as Winston Churchill and Stafford Cripps have handled it with something akin to reverence. The taxpayer in Britain looks upon it as a Pandora's box. We in India also can have come to associate our Socialist budgets with the conservative boxes. Our former Finance Ministers flourished the boxes in the customary manner before they presented their budgets to the Lok Sabha. Is it because all of them had to resign in a huff that they did not care to hand over their prized possession to their respective successors? Perhaps, Mr. Morarji Desai dispensed with the budget box altogether to do away with the hoodoo which seems to haunt his portfolio.

THE INDIAN SCENE

Growing Congress Dissensions

By WITNESS

THE sins of the Congress are being daily found out. Much sympathy will go out to the young and untried Congress President in her present predicament. Doubts may arise whether she is going the right way to solve the recurrent crises in some of the States. She is reported to think of a solution on organisational lines. Is this the correct way; is she on the right track? Have we here only the simple problems of factionalism or organisational deficiency? Is this not to miss the wood for the trees?

When there is no understanding of the correct aetiology of the disease but only a mechanistic view persists, the new President may suffer the same defeat as her predecessor. The proceedings in Orissa and Uttar Pradesh last week prove the utter moral failure of the Congress and the gross lack of responsibility in Ministers and legislators alike.

On the very day that Congress in Orissa registered a significant success in a bye-election, retaining its seat by the spacious margin of 15,970 votes, the Government was defeated by 6 votes. Mr. Mahatab in a long-winded statement, justifying his not resigning, calls it "a snap vote," which did not relate to any measure of "substantial importance." Reading the judgment of the High Court this is a questionable statement: as if administrative incompetence were a slight matter. Mr. Mahatab has sought to preach a homily on the need for political stability.

Horse-Trading

This is no wondrous discovery. Political stability is the one thing that Orissa has been wanting. But before visualising the steps necessary for ensuring it, we must bear in mind the feudal background of the State's politics. There had been always much horse-trading in Cuttack. It all started with the Congress seducing a few members of the feudal Parishad to convert its minority into a majority and to form a ministry. Thus it did its best to demoralise the other parties, already none too scrupulous themselves. One wonders if the PSP has even today abandoned its dream of forming a government under the leadership of the Gana Tantra Parishad. The Communist Party seems to have early abandoned its wooing of the Parishad. Had the Congress High Command courageously come down on the State Congress at its very first step on the slippery slope, things would not have come to this mess.

At the moment of last week's voting, the Congress strength in a house of 139, excluding the Speaker, stood at 70: the Opposition numbered 67, and two seats were vacant. Mr. Mahatab speaks of a "snap vote." This is to mystify the public, notwithstanding earlier reference to Bapu's commentary. He explains to his great satisfaction why so many members of the Congress were absent, and querulously refers to the unusual opposition to a bill on its first reading. If it was a "snap vote", it was no less so to the Opposition; for sixteen of its members were absent at the crucial moment. Twenty-seven supporters of the Government were among the absentees. This included some Ministers. The number or the names of the latter are not given.

This raises the question of the duty of the Ministers to the Government, the party and the Assembly. They ought always to be in their place in the house during the legislative session. This has wider relevance than in this particular case. Too often Ministers bring a casual air to the performance of this duty. Mr. Gladstone laid down some sound doctrine in this matter which holds good down the years.

Gladstone's Rule

To a member of his cabinet who had transgressed by absence from a crucial division, he wrote: "I should not act frankly by you if I do not state it without hesitation, as a general and prescriptive proposition, that, without reference to the likelihood or unlikelihood of defeat, there can be but one rule for the members of the Government, and that is to give the votes themselves which at the same time the Government with less strong title is asking from the members of the party."

Even the excuse of being away at a Royal entertainment at Windsor was not admitted by him. For he said on another occasion, "I can say from my own recollection that as far as regards political officers the Sovereign always permits the claim of the House of Commons to prevail." This is as neat and correct as possible, and at a time when Royalty was hedged in with more awe and authority. There are Ministers in our various governments who often treat with scant courtesy the House in which they sit. It is in each case for the head of the Government and ultimately the House itself to teach a Minister his duty and inculcate in him a sense of responsibility.

If the number and names of the absentee Ministers were known we should have a pretty clear idea of cabinet solidarity in Orissa. Mr. Mahatab is quite correct in refusing to take the present voting as a sign of no-confidence. Further, on any direct vote he may win also if present indications of a bigger majority be trusted. And if the Communist Government in Kerala, in a slender majority itself, can face opposition, there is no reason why the Orissa Congress majority could not. Then where does instability come in? Does the Congress fear that its own poaching on, and seduction of, other parties, has left itself an indisciplined and loosely-knit party, and further helped in demoralising political life in the state. This is the issue in Orissa and the Congress President must conduct a merciless probe. What happened in Orissa about this time last year in a series of unsavoury episodes which should be a disgrace to any Government or party renders this examination very necessary.

Parochialism

The Lucknow convention of the U.P. members of Parliament betokens a dangerous upsurge of parochialism. Not only that; it indicates general insurgence against the Centre. If the idea were merely to acquaint MPs from the State with its difficulties and problems, one wonders if the Madras example is not better conceived. Quite a few days back the Finance Minister of Madras took advantage of his visit to discuss with the State MPs in Delhi the difficulties arising out of the heavy movement of rice from Madras to Kerala. The U.P. idea of posting a special officer in Delhi may arise from the natural leaning to nepotism of the State Government or the much more dangerous concept of a State High Commissioner at the country's capital.

Fully a third of the State membership in Parliament did not attend the convention which conspiratorially met in secret conclave. Yet from the official hand-out it is clear that Mr. Sampurnanand preached a short comminatory sermon against the Centre. Opinion in Uttar Pradesh itself seems to be recoiling on the State Government. It is felt here as a "diversionary movement" to throw on the Centre all the blame for the State's backwardness and nepotism and inefficiency which has in recent months called forth most vehement criticism, from partymen and the opposition, in public and on the floor of the legislature. Here, if anywhere in this country, bureaucracy rules and ministers go about with fancy projects and adventures.

Dr. Shrimali's recent criticism that the State Government went in for a Sanskrit university in spite of the Centre's advice is only one instance. As a pro-Congress paper neatly put it, "From the time Mr. Panikkar, as a member of the States Reorganisation Committee, submitted his minute poining out the administrative and economic backwardness of U.P., U.P. ministers have made it a habit of transferring all the blame even for their failures to the Centre."

But enough of this raucous music for the present. The Congress President must not miss the drift of things, but attack the disease at the root.

Readers' Views

Soaring Prices And Fares

To The Editor,
"The Indian Express."

Sir,—The prices are still rising month after month. In spite of the controls, the black market is reigning supreme in the case of iron and steel. Zinc sheets are available in plenty but at very high prices for which no cash bills are issued.

Of late, not a month passes without some substantial increase in the rates and taxes. The A. P. Government is out to increase the Motor Vehicles Tax and with the increase, bus and taxi fares will increase, adding further burden to poor and middle class people. It is argued that the bus owners are realising large profits in the transport trade and the Government intends to appropriate for itself a portion of the profit in the shape of increased tax. The bus owners will surely increase fares and pass on the burden to the people.

The stamp duties have been raised. The registration charges have been raised. To represent any grievance in a municipality the petition required a stamp of two annas only. The stamp now required is one rupee. The increase thus is seven times or 700 per cent. We got the decimal coinage and with it increased postal rates. Every day the State or Union Government is fixing prices for foodgrains and gloating over their achievements. The ruling rice price is not a pie lowered. As representatives of the people, the legislators should look into things and try to mend matters. Alas, they are after air trips and Ooty sessions.

EX-CONGRESS-LOVER.
TIRUPATI.

State Trading

Sir,—With the advent of the S. T. C. there is a general feeling that the days of the old East India Company are revived, when the government were traders first and rulers only to promote their trade. Only, the difference is that the trade of the S. T. C. is considered democratic—trade of the State, for the State, and by the State, with the people's votes.

Surveying its activities, we come across dismal and glaring drawbacks. Soda ash is an important item, but the supply is scarce and the price is high, in spite of augmentation from local manufacture. Mercury is quoted by the S. T. C. at Rs. 1,400 but no one can procure a jar for anything less than over Rs. 3,000. Similar is the case with milk powder and some chemicals. To this inventory can now be added camphor. The said corporation was given a camphor licence after a total ban on normal imports by the established importers. And as usual, we have witnessed a complete fiasco.

We cannot blame the S. T. C. for these repeated failures. After all, it has too many irons in the fire. The problem of distribution is beyond it. The real solution is to give back the trade to the old established importers, so that healthy competition and wide distribution will bring back normal supply and prices.

B. C. BAKAI.
MADRAS-1.

Kerosene Prices

Sir,—Much of the criticism against kerosene prices seems to be uninformed, if it is not a manifestation of jealousy against the so-called oil kings. During the pre-restriction period, kerosene was no doubt available much cheaper, but this was the result of ruinous, unhealthy competition amongst agents. The agent gets the oil ex the wholesaler's godown at Rs. 4.80 per tin (including sales tax). This he distributes to the retail dealer who doles out bottles at 25 n.P. As he makes 24 bottles to a tin, he gets Rs. 6 which leaves a margin of Rs. 1.20 to be shared between him and the agent, besides covering transit and distribution, leakage and transport expenses from the wholesaler's godown to the retail shop, which at a modest estimate would be 5 n.P. and 15 n.P. respectively. This leaves one rupee to be shared between the agent and the retailer and granting that they share equally they get 50 n.P. each. That cannot be considered fabulous income for a petty shopkeeper who sells say 100 tins a month and makes Rs. 50 per month. Deduct from this rent for his shop and his assistant's wages. Could we grudge him the modest balance?

As for the agent, 50 n.P. on an investment of Rs. 4.80 per tin gives him a gross return of less than 10.5%. Out of which he has to recover interest on his investment, wages for his own labour, establishment and office expenses. And what would be left? Is there any other business where the gross return is so small? Would he not be wiser to invest in a bank or in National savings certificates and get a better return sitting in his armchair, absolutely out of reach of criticism?

K. RAMASWAMI.
MADRAS-4.

N.G.Os.

Sir,—The disparity between the emoluments of Central and State Government servants serving in the same place should be avoided. Central Govt. servants having tasted the fruits of agitation are agitating for more. There is no use of pursuing the vicious circle of increasing wages, increasing costs of production, increasing prices of necessaries, and so on. Fixation and control of prices of foodgrains alone without regard to the cost of production and prices of other essentials, cloths, grocery etc. is no remedy. The root cause of increase of prices is the demand for more and more wages for less and less, inefficient work resulting in low production. This must be properly tackled. Efficiency has gone down considerably in Govt. offices. This is admitted by heads of departments as well. It is up to the N.G.O.s to avoid this stigma, work conscientiously and increase efficiency and output. To the Govt., I would suggest the starting of a housing scheme for all N.G.O.s and collecting rent at a percentage of the salary from all, wherever they serve. A Government sponsored financial corporation may build type-design houses for several grades of Government servants and let them out. Interest at bank rate and maintenance charges can surely be realised as rent. They can start with the city and some towns where house rent is exhorbitant and extend it to other places in due course. House rent swallows a good slice of the salary and if this is reduced it will be a great relief.

R. SRINIVASA IYER.
(M.L.A.)
PATTUKOTTAI.

M. Ps. Plea For New Rail Links And Bridges To Relieve Congestion

—LOK SABHA DEBATE
NEW DELHI, Mar. 2.

THE fourth day's general debate on the Railway Budget in the Lok Sabha today turned into one of regional demands, some members asking for new railway links in their regions and others asking for over or under-bridges in important towns to relieve traffic congestion. The Railway Minister, Mr. Jagjivan Ram, will reply to the debate tomorrow.

Intervening in the debate, Mr. Jagjivan Ram, said that the Union Transport Ministry had asked State Governments to include in their Plans the construction of over or under-bridges in their areas. He had asked the Railway Board also to advise State Governments accordingly so that the Centre could have an idea of the problem and provide for it in its budget also.

The Railway Minister said that at present the cost of construction of these bridges was borne partly by the Railways and partly by the State Government concerned.

Dr. P. Subbarayan (Cong.-Madras) said that if the overall cost of road and rail transports were taken into account, road transport was more expensive. The reason for people's preference for road transport might be the security and efficiency provided by it. He thought that ultimately the Railways might be preferred provided they gave more facilities for the transport of goods.

He said he did not know whether Government could allow road transport only in the areas which were not accessible by Railways as was done in Russia, but they could definitely co-ordinate road, rail and sea transport.

"I think the Ministers for Railways and Transport will have to work together and consider what is best in the interest of the country."

Dr. Subbarayan suggested electrification of Madras-Arkonam section of the Southern Railway as the power supply position in Madras State was improving. Steps should also be taken to eliminate congestion at the Madras Central Station. He also emphasised the need for a railway line connecting Salem, Hosur and Bangalore.

He urged the Railway Minister and the labour leaders to bring about unity among railwaymen by having one single union.

LIABILITY OF "COMMON CARRIERS"

Mr. S. V. Ramaswamy, Deputy Minister of Railways, intervening in the debate, said that there were legal and administrative difficulties in implementing the recommendations of the Railway Freight and Structure Inquiry Committee that the Railways should assume the liability of "common carriers". As common carriers the Railways would have to pay compensation for loss in every case barring an act of God or an act of war. "This is a very serious liability, the extent of which has to be worked out."

Mr. Ramaswamy said that the extent of "damage" to goods transported in India was high. In other countries like the U.S.A., U.K. and Canada where the Railways undertook the responsibility of common carriers, things were entirely different. There was better packing and less damage in transit in those countries. The Indian Railways would need to improve the administrative setup a great deal before assuming the responsibility as "common carriers".

"I assure the house that due consideration will be given to this matter and as soon as conditions permit, Governments decision will be finalised on it." The Minister said.

Regarding the stores used by Railways, Mr. Ramaswamy said that the bulk of these stores were produced in the country. The Railway Equipment Committee was doing really a good work.

Mr. R. Narayanaswami (Cong.—Madras) wanted a railway line to be opened between Dindigul and Gudalur.

Mr. B. Pocker (Muslim League—Kerala) asked for a railway line between Nilambur and Feroke.

Kanpur Students Clash With Police

OVER 150 INJURED IN INCIDENTS

KANPUR, Mar. 2.

Over 150 persons are believed to have been injured in two-day clashes between students and police in this industrial city.

The disturbances, sparked off by an incident in the Green Park Stadium last eveing, have disrupted normal life. A prohibitory order under Sec. 144, Cr.P.C., is in force and batches of students are violating it.

The District Magistrate claimed last night that 45 police personnel were injured in yesterday's clash at the Stadium. The students claim that three persons injured today in police lathi-charge are in a serious condition.

Police resorted to a mild lathi charge and fired tear gas shells when a crowd of students attempted to force their way into the Stadium without tickets to watch an exhibition women's hockey match organised in aid of a Harijan 'dharmashala' here.

Today's lathi charge was a sequel to the students taking out a procession in defiance of the prohibitory order.

The students are alleged to have broken open the gates of the D.A.V. College Hostel, which were locked last night, and taken out a procession.

When they reached the kotwali they were stopped and policemen prevented them from proceeding further. The students are alleged to have hurled brickbats at the policemen.

LATHI CHARGE

The Additional District Magistrate ordered a lathi charge to disperse the students. The police are alleged to have chased the students for over half a mile.

Nine students, who were taken into custody last night, have been released on bail.

From one corner of a college hostel, which overlooks the Green Park, brickbats were reported to have been thrown at the police last evening. Police fired several rounds of tear gas shells and later entered the hostel and lathi-charged the students.

ADJOURNMENT MOVE REJECTED

NEW DELHI, Mar. 2.

Opposition members attempted in vain to raise a discussion in the Lok Sabha today by way of an adjournment motion on the incidents in Kanpur yesterday in which 45 policemen and some students were injured.

The Speaker informed the members that he had disallowed the motion as law and order was a State subject. However, he said, it was open to members to meet him in his chamber and explain the matter and if necessary, he would bring the motion before the House tomorrow.

Mr. J. B. Kripalani (PSP), said that whenever there was any disturbance, the police exceeded its authority. The Principal of the College from Kanpur, he said, telephoned him that the police had entered into the hostels and beaten the students in their rooms. The fountain pens and watches of students were also missing. When the principal of the college telephoned to this effect it became necessary to bring the matter to the notice of the Home Minister who belonged to U.P.

U.S. 'DISCOVERER' MOON IN ORBIT

CAPE CANEVERAL, Mar. 2.

Sporadic radio signals appeared to indicate that the Discoverer satellite launched from Vandenberg Air Force base on Saturday night had achieved an orbit, the Air Force announced from its Ballistic Missiles Division at Inglewood, California, late last night.—Reuter.

BHUTAN P.M. IN DELHI

NEW DELHI, Mar. 2.

The Prime Minister of Bhutan Mr. Jigmi Dorji, arrived here today to have discussions with the Government of India in regard to Jaldhaka Hydro-electric project which would benefit the Himalayan kingdom to a large extent. Jaldhaka is a tributary of Brahmaputra which flows from Bhutan into Assam.—FOSC.

Rajya Sabha Passes Delhi Land Reforms Bill

NEW DELHI, Mar. 2

The Rajya Sabha today passed without any change the Delhi Land Reforms (Amendment) Bill, 1958. It seeks to amend the parent Act of 1954 so as to confer bhoomidari rights on tenants in certain areas of Delhi who had been deprived of this right under the original Act.

The Sabha then took up consideration of the Appropriation Bill 1959 for a sum of Rs. 161.63 crores being the supplementary grants for the current financial year. Of this amount Rs. 131.08 crores have been voted by the Lok Sabha and Rs. 30.55 crores are charged on the Consolidated Fund of India.

TRENDS & TOPICS

NO LASTING SOLUTION

THE terror struck into the heart of black-marketeers and other evil-doers in Pakistan by the inauguration of the military regime five months ago seems to be gradually disappearing. The black and gray markets have lately raised their heads again and anti-social elements have resumed their nefarious operations.

The main reason for this is the shortage of consumer goods and the irregular supply of commodities. Even wheat, which was surrendered in large quantities by hoarders and landlords, has become scarce in certain districts of the Punjab. The relaxation of Martial Law operations has also contributed to this unhealthy development.

An amendment to the Martial Law regulations has, therefore, been promulgated ordering that no offences under the Regulations can be tried by any court other than a military court, a special court or a summary court. Sentences awarded under this amendment need no confirmation and can be carried out forthwith after being countersigned by an officer of the rank of Brigade Commander or equivalent rank in the Navy or Air Force.

This draconian measure may no doubt succeed in checking anti-social crimes for a time but, as on past occasions, the evil is more likely to be driven underground rather than eradicated. A real solution of the chronic ills which Pakistan suffers from lies on the economic rather than on the military plane. The military regime has still to prove its capability in this respect.

STUDENTS ABROAD

BRITAIN continues to attract the largest number of Indian students going abroad for higher education. As many as 3,850 students and trainees—or more than fifty per cent of the total number studying in foreign countries—are educating themselves in the United Kingdom. The United States is next in popularity with 2,648 students.

Language, of course, is responsible for this phenomenon. English being the medium of higher education in this country, our students naturally find it convenient to prosecute higher studies in English-speaking countries. Historical reasons are also responsible for the continued preference for Britain. There was a time when degrees of British Universities alone were recognised in this country and served as a passport for employment to the higher cadres of Government.

Most of the students going to America study scientific and technological subjects. As many as 632 of them hold Government or foreign scholarships as against 135 in the U. K. The third most popular country for higher education is West Germany where there are 483 Indian students. Fourth on the list and far below comes Canada with 105 students.

Our ideological neutrality obviously does not extend to higher education. There are only 13 Indian students in Russia and 10 in People's China, all of them scholarship-holders. Language is the main stumbling block in those countries, neither Russian nor Chinese being an easy language to pick up. It is intriguing to learn that there is one Indian student in Cuba. One wonders what he is devoting his attention to.

BLOND SPY

MUCH hallabaloo has followed the reports of an alleged confession said to have been extracted from a fellow woman student by the Witwatersrand University students. Her photograph was printed in a paper called the "Sunday Express" under the caption "Blond Spy". The police took out an immediate judicial stay order and succeeded in preventing the distribution of the relevant copies of the paper.

The Capetown Security Police are also now reported to be searching the university areas for a tape recording suspected to have been made of the confession. The student, a girl of twenty in her B.A. class, was allegedly taken to a flat in Johannesburg and treated brutally before she admitted that she had taken over the job of a police informer from another woman student who had left university.

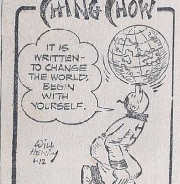
While the students may have a right to protest against such spying on them by the Police they certainly cannot justify the methods they themselves have adopted. It is difficult to fathom the reasons motivating them. The girl herself may have earned the contempt of her fellow-students, but neither of the above reasons can absolve the latter of a charge of irresponsible and crude behaviour.

DROPPING THE SLATE

THE announcement that slate and slate-pencils are exempt from sales tax may appear too slight a relief to merit notice. But the Madras Government, after removing text-books from the list of articles subject to general sales tax, has rounded it off by exempting the school children's other requisites.

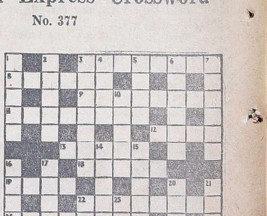
Seven other States, including Bengal, do not care to distinguish between books and other goods. Sales tax on text-books is rightly described as a tax on knowledge. The high price of notebooks has provoked loud complaints about profiteering.

The protected slate industry, centred in Andhra Pradesh, will benefit only slightly, but the Madras Government has shown its solicitude to extend primary education by removing the tax. Fountainpens, except the cheap ones sold at street-corners, are liable to sales tax at the rate of 3 per cent. Slates and slate-pencils are liable to frequent breakage in and out of school and the Madras dealers' growing turnover in these exempted items is likely to increase.



The Indian Express Crossword

No. 377



ACROSS

3. The man in the pulpit (8).
8. Red Indian Uncle? (6).
9. Disabled bird: needs a helping hand (4, 4).
11. Well - built fellow who drinks beer? (5, 3).
12. Paradise (4).
13. Metal bar (5).
18. Attacked by a bull (5).
19. Persia (4).
22. Repaired (8).
24. "—oblige" (8).
25. Metallic? (6).
26. Poor quality (8).

DOWN

1. Convulsive action (5).
2. Dive down upon (5).
3. Skinning in heavy rain? (7).

4 Some paper (4). 5 Said to put an end to prayer (4). 6 Harasses the dogs (6). 7 Top artist doing a garden chore? (6). 10 Commissioned rank (5). 14 Animals (5). 15 They try things out (7). 16 Never the one that got away! (6). 17 Part of W Africa (6). 20 Was brilliant (5). 21 Official decree (5). 22 Spotted (4). 23 River goddess (4).

Solution To Crossword No. 376: Across: 3 Re-treats, 7 Thole, 8 Arguable, 10 Icicle, 13 De-camps, 15 Snap, 17 Actions, 18 Nerissa, 20 Idol, 21 Treason, 26 Ca-sin-o, 27 Welcomes, 28 Elopes, 29 Toddlers. Down: 1 Staid, 2 Tonic, 3 Real-m, 4 Rout, 5 Albino, 6 Sweeps, 9 Repast, 11 Ceded, 12 Cavil, 14 Scarce, 15 Silas, 16 Anton, 18 Nitwit, 19 Rolled, 22 Eases, 23 Simon, 24 Noted, 25 Toil.

1.4 CRORE SURPLUS BUDGET FOR MADRAS STATE

(Continued from page 1)

crores, leaving only a balance of Rs. 24 crores for the last year. They therefore had to seek an upward revision in the figure.

FINANCE MINISTER'S SPEECH

Presenting his eighth budget to the State Assembly, Mr. C. Subramaniam said: "As against the original estimates of a revenue surplus of Rs. 15 lakhs in the current year, the Revised Estimates for 1958-59 show a revenue surplus of Rs. 2,65 lakhs. As I had indicated already during the last budget discussions, the Estimates for 1959-60 have been framed without any proposal for additional taxation.

Taking the State as a whole, the seasonal conditions have not been quite favourable during the year. Many areas of Ramanathapuram and Tirunelveli districts have been affected by drought .... Certain areas were also adversely affected by pests during the year. Agriculturally, therefore, the current year was not as prosperous as we had expected. Even so, the preliminary forecasts show that food production is slightly more than in the last year."

Referring to the upward trend in prices of food and cloths, he said: "Planned development and uncontrolled speculative fluctuations in prices are mutually inconsistent .... We must endeavour to peg prices down if we should hope to attain the targets laid down in the Plan.

"The index of wholesale prices of foodgrains which stood at 512 in December, 1957, had gone up to 569 in December, 1958. There has indeed been a fall in the last few weeks but this may just be the normal seasonal fall at the time of harvest. Broadly the upward trend has persisted over the past few years with consequent increase in the cost of living index.

VICIOUS SPIRAL

The rising cost of living inevitably pushes up wages and the higher wages in their turn raise the prices of necessities of life such as foodgrains and cloth. This vicious spiral of wages and prices chasing each other is the bane of our present economy."

In this connection, he expressed the hope that a detailed scheme regarding the taking over of wholesale trade in foodgrains by the State would soon be formulated by the Government of India.

Mr. Subramaniam gave the following figures regarding increase in food production in the State.

Area in lakhs of acres.

	1957-58.	1958-59.
Paddy	56.0	57.2
Millets	55.8	56.0
Groundnut	17.94	18.86
Cotton	11.65	11.79
Sugarcane	1.21	1.26

Production.

	1957-58.	1958-59.
Paddy	32.34	32.98
	(Lakhs tons of rice.)	
Millets	16.86	17.23
	(Lakhs tons.)	
Groundnut	8.60	9.07
	(In nut shelled—Lakhs tons.)	
Cotton	3.77	3.90
	(Lakhs bales.)	
Sugarcane	3.40	3.61
	(Lakhs tons of gur.)	

(Figures for 1958-59 tentative.)

He said that due to certain administrative difficulties in acquiring lands, Government had not been able to start as many new seed farms as planned. In many farms the yield has taken below expectations. They had started only eight new farms so far this year. It had been decided that before increasing the number of farms, the farms already started should be consolidated. It had also been decided that suitable surplus lands, which would become available on enforcing the proposed ceiling on land holdings, should be utilized as seed farms.

Arrangements have been made to distribute 1.37 lakh tons of chemical fertilizers during the current year. Next year, 2.15 lakh tons of chemical fertilizers will be distributed. A number of schemes have been taken up to increase the production of natural manures. The urban compost scheme is being developed to cover all Municipalities and 280 major panchayats. The rural compost scheme is making steady progress. 1.27 lakh tons of compost were prepared under the scheme in 1957-58 and the production is expected to increase during the current and next year.

Referring to irrigation facilities, he said that so far 2.2 lakh acres had been given irrigation facilities by 1958-59. It was expected that another 25,000 acres would be brought under irrigation in 1959-60.

On the whole, Rs. 2,10 lakhs had been set apart in 1959-60 for major irrigation schemes.

PARAMBIKULAM PROJECT

He said: "The most significant item in the irrigation programme now is the Parambikulam project. Detailed estimates have been sent to the Central Water and Power Commission." The project was expected to irrigate over 2.5 tlakh acres of lands in Pollachi, Udumalpet, Dharapuram and Palladam taluks in Coimbatore district. With a view to dividing this water equitably between the ryots of these taluks, a committee consisting of the Chief Minister, Minister for Home and Minister for Works had been constituted.

The project would also produce 1.25 lakhs kilowatts of electric power. It had been possible to take up the scheme in quick time argely because of the goodwill and accommodation between the Governments of Kerala and Madras. He hoped it would also be possible to take up similar schemes for Madurai and Tirunelveli districts in the near future.

Regarding minor irrigation he said: 'It is proposed to implement during 1959-60, 1,200 works at a cost of Rs. 84 lakhs. Out of these, 595 works are those started during this year and the balance are new works. It is proposed to install 600 filter-point wells and to give a loan of Rs. 2,500 on each filter-point. Rs. 20 lakhs is being provided under the new well-subsidy scheme. We propose to spend a total sum of Rs. 1,18 lakhs on all minor irrigation schemes together."

He gave figures to show the achievements made under "Minor Irrigation" during the last three years:—

	1956-57	1957-58	1958-59
New Irrigation (in thousands of acres)	45.61	43.00	88.09
Expenditure (in Rupees lakhs)	69.37	68.48	98.07

He said: "The programme for installation of electric pumps for irrigation has also shown remarkable progress. The figures were 45,173 in 1956-57, 62,726 in 1957-58 and 75,193 at the end of December 1958".

Tracing the cattle development schemes he said it was gratifying to see that the breed of cattle was improving as a result.

LAND REFORM ON CO-OP. BASIS

The Minister then referred to the decision of the National Development Council to implement the programme of land reforms on a co-operative basis. He said: "We have to take steps to strengthen the co-operative organisations. So far, much of the development has been in the banking sector. It is now necessary to give a new shift to this movement. Co-operative societies should be in a position to arrange for better seeds, fertilizers, agricultural implements, irrigational facilities, etc. Detailed proposals are now under active consideration.

"It is proposed to increase the credit facilities made available to ryots through the co-operative societies. As against a total credit of Rs. 13.5 crores in 1958-59, Rs. 16 crores will be provided in the next year. Co-operative credit will be available in 85 per cent of the total number of villages and for 45 per cent of the population. Provision has been made to start 100 new agricultural banks, 200 small-sized societies and four land mortgage banks.

"The number of marketing societies will also be increased. The State Warehousing Corporation has started functioning. Sixty godown will be completed before the end of this year. The programme for 1959-60 contemplates the opening of six primary marketing societies and the construction of 65 new godowns. Fifteen new co-operative farming societies are being started in the current year and five more societies will be started in 1959-60.

INDUSTRIAL PROGRESS

Tracing the progress of major industries in the State Mr. Subramaniam said: "The Neyveli lignite project, on which depends the industrial future of this State, is making rapid progresss. The total capital invested on this project by the end of 1957-58 was Rs 10.67 crores and a further sum of Rs. 6.5 crores will be invested in the current year. A total labour force of nearly 8,000 is employed on this project at present. The Integral Coach Factory at Perambur is also making good progres.

"A number of factories in the private sector have also commenced production. The Dunlop Tyre Factory at Ambattur and the Electrical Switchgear Factory have started production recently. The expansion programme of the T.I. Cycles, Limited, has been completed and plans are being finalized to start the manufacture of certain allied goods. The sugar factory at Pettaivaithalai has started production. The Soda Ash Factory at Tirunelveli is expected to commence production in a few months Negotiations on the rayon silk factory in Coimbatore district are over and the construction of the factory may commence soon. The preliminary investigations for the Aluminium Factory at Mettur are nearing completion.

Mr. Subramaniam said the State had made very goon progress in establishing small-scale industries. Recently, the first stage of the Guindy Industrial Estate had been completed. The total amount invested by the Government so far on the estate was Rs. 70 lakhs. Private entrepreneurs had invested substantial amounts on the various industries located in the estate. The total employment potential of the estate was roughly 1,500 and the annual production in goods might be estimated at Rs. 1,48 lakhs. The electrical goods manufacturing unit and the common lease shop in the Guindy Estate would be opened soon.

The machine tool repair shops at Pollachi and Pettai, the cycle assembly units at Vellore and Tanjore and the quartz unit at Salem were expected to commence production in the beginning of 1959-60. The Industrial colonies at Virudhunagar, Madurai, Erode and Tiruchirappalli were nearing completion. A new industrial colony at Tanjore, a common finishing shop at Wall-Tax Road and a salt-glazed pipe unit in South Arcot district would be started in 1959-60.

Pointing out that a significant index of industrial development was the utilization of electric power, he gave the following figures to show the inrustrial growth in recent years.

Year	Industrial consumption of electric power in million units.
1953-54	228
1954-55	311
1955-56	325
1956-57	343
1957-58	421

He also gave some figures regarding some important industries:

	1954	1957
Total number of factories—		
Textiles	233	358
Engineering	141	157
Ginning	246	256
Rice Mills	555	661
Cement	3	3
Total	1,178	1,435
Total number of workers employed in the above factories—		
Textiles	98,271	114,458
Engineering	7,222	12,526
Ginning	11,059	12,475
Rice Mills	8,234	11,811
Cement	2,495	2,548
Total	127,281	153,818

Wages paid to the workers in these industries—

	1954.	1957.
	(Rs. lakhs)	
Textiles	10,24	13,16
Engineering	74	1,09
Ginning	44	21
Rice Mills	24	31
Cement	28	32
Total	11,94	15,09

He then gave "some significant statistics" on 29 of the major industries located in about 800 factories out of a total number of 5,000 factories, employing about 48 per cent of the total industrial labour force.

The productive capital invested in those industries was as follows:—1955 Rs. 59.97 crores; 1956 Rs. 72.28 crores; and 1957 Rs. 86.97 crores.

FURTHER EXPANSION

He, however, said the pace of industrialization was not rapid enough. The National Council of Applied Economic Research, Delhi, was expected to report on the industrial and economic potential of the State by the end of April. A survey of the mineral resources of the State was also going on.

Substantial progress had been registered in the development of power. Rs. 14 crores will be spent on power development during this year. It is hoped that the third generator in the Periyar project will also begin work shortly. The Kundah Project is also progressing fast. The preliminary work in respect of Sandynullah Scheme, which has been newly taken up, is going on satisfactorily. The total amount set apart for the power development for 1959-60 is Rs. 11,08 lakhs. The Kundah project will go into commission in the coming year. It has also been planned to extend power to 1,000 villages in 1959-60. With this, the number of villages electrified in this State will rise to nearly 9,000."

On expansion of technical education, he said Rs. 74 lakhs would be spent on technical education in the current year and Rs. 93 lakhs in the next year.

Mr. Subramaniam said over 3 lakhs of persons were employed in the various Khadi programmes in the State.

Annual production of Khadi this year had increased to Rs. 68.44 lakhs. It was hoped that 26,000 more spinners would be enrolled next year. The Ambar Charka scheme was also being expanded. So far 30 Parisramalayas had been opened. By the end of this year, another 19 would be opened and 20 more would be opened in 1959-60. Twelve thousand spinners would be trained and enrolled. A total of Rs. 1,40 lakhs had been set apart for Khadi schemes for 1959-60. The Khadi Commission would subsidize these schemes as usual.

Referring to the recent crisis in the textile industry which affected the handloom more adversely than the mills, he said that as a result of the steps taken by Government the crisis has been arrested and the situation had become easier. But it was necessary to take long-term measures to stabilize the industry, and till such time all existing concessions would have to be continued.

He said: "We are providing Rs. 1,26 lakhs for the handloom industry in 1959-60 of which Rs. 81 lakhs will be towards rebate on sale of goods. Twelve thousand and five hundred handloom weavers will be enrolled in the co-operative fold next year. It is also proposed to construct 230 houses for weavers. Mention may also be made of Rs. 2 lakhs set apart for the improvement of silk weaving."

HOUSING SCHEMES

Tracing the various housing schemes, he said a sum of Rs. 1,89 lakhs had been set apart for all housing schemes in 1959-60.

Adequate provisions had already been made for housing schemes outside the Plan. "As against Rs. 17 lakhs set apart in the current year for loans to Middle Income Group Co-operative Housing Societies, we propose to give Rs. 30 lakhs next year. The housing scheme of Harijans will be continued at a cost of Rs. 28 lakhs."

The Minister said that in 1959-60, Government "will complete the programme of taking over all major district roads from the District Boards. As against a sum of Rs. 2,25 lakhs set apart for the maintenance of roads in 1958-59, we have provided Rs. 2,54 lakhs for 1959-60. Rs. 53 lakhs has been set apart as grants to District Boards for the formation of new roads. New works on State highways will amount to Rs. 81 lakhs."

ELEMENTARY EDUCATION

Referring to the significant progress in elementary education, the Minister said the mid-day meal scheme was expected to cover four lakhs children by the end of this year. Rs. 60 lakhs had been set apart in the Budget Estimates for 1959-60 to benefit six lakhs of children. The School Improvement Scheme which aims at providing the essential amenities in schools was being implemented in several areas; 1,735 new classes were proposed to be started in 1959-60.

"Under the unemployment relief scheme, 900 teachers will be appointed in the current year and 1,200 teachers in the coming year. It is expected that every village having a population of more than 300 will have elementary schools."

Mr. Subramaniam emphasised that **"we have accepted basic education as the future pattern in elementary education. It is the Government's firm conviction and desire that all elementary schools should be converted to the basic system.**

"It is on this basis that we have decided to convert all training institutions into basic training schools. In 1959-60, 16 training institutions will be converted into basic, and the balance of 11 will also be converted in 1960-61 to complete the programme as far as training schools are concerned. In regard to the conversion of elementary schools into the basic pattern, necessary steps will be taken to implement a further programme of conversion on the basis of the report (submitted by a committee). So far, 2,722 elementary schools had been converted into basic schools, and 400 more schools will be so converted in the coming year.

"Fifty High Schools will be converted into multipurpose schools in the coming year at a cost of Rs. 9.43 lakhs. The scheme to improve the quality of teaching in higher secondary schools will be continued. The total amount provided for education in the current year is Rs. 12,33 lakhs. This will be raised to Rs. 13,29 lakhs in 1959-60.

"The sums set apart for Education have been increasing from year to year. It is our earnest desire that these large sums are properly spent. A number of committees have been constituted to go into the various questions that arise in the educational sphere and their reports are awaited. We propose to frame an integrated educational scheme on the basis of these reports," he said.

Regarding the welfare of Harijans and backward classes he said Rs. 34 lakhs would be spent on scholarships, Rs. 12 lakhs on boarding grants and Rs. 19 lakhs on midday meals and Harijan hostels.

The programme of establishing Primary Health Centres in villages continued to be implemented. Rs. 17 lakhs had been set apart to start 20 new centres in 1959-60. "We are aware that the Primary Health Centres are not functioning properly for want of doctors in many centres. Trained doctors are not willing to go to the villages. It was therefore decided to give each doctor in the centre a special pay of Rs. 100 per mensem. Steps are also being taken to provide residential quarters for them," he said.

The Minister then said that a number of water-supply and drainage schemes were being implemented. In the Budget Estimate a total sum of Rs. 1.56 lakhs had been set apart for loans and grants on the schemes. A sum of Rs. 50 lakhs would be given as loans and grants on the water-supply and drainage schemes in Madras City.

FAMILY PLANNING

Referring to family planning, he said the schemes in Madras City would be extended to other areas on the experience gained in the City. A small booklet had been published giving full details about the scheme. He requested members to extend their full co-operation in this regard.

(1957—'58) ACCOUNTS

The Minister then dealt with the accounts for 1957-'58. He said: "When I presented the Revised Estimate for 1957-58 last year before this House, I estimated the total receipt under the Revenue Account at Rs. 60,41 lakhs and expenditure at Rs. 60,36 lakhs. The accounts of that year, which have since come, place our income at Rs. 62,56 lakhs and expenditure at Rs. 59,15 lakhs. Thus as against a surplus of Rs. 5 lakhs which we had anticipated the actual surplus was Rs. 3,41 lakhs. Out of this surplus, Rs. 76 lakhs represent the outlay transferred from the Revenue Account to the Loan Account. The expenditure which we had already incurred on the Neyveli Project before we handed over control to the Government of India, has since been treated as a loan given to the present Neyveli Lignite Corporation. Thus the real surplus during the year 1957-58 was Rs. 2,65 lakhs. Even so, there is an increase over the revised figures. The main reasons for this increase are excesses over the revised estimates of Rs. 1,10 lakhs under Sales Tax, Rs 64 lakhs under Land Revenue, Rs. 30 lakhs under Agricultural Income-Tax, and Rs. 19 lakhs under Central Sales Tax.

"Similarly, the Revised Estimates for 1958-59 show that receipts under Revenue Account will be more than what we originally anticipated. The budget estimates placed our income at Rs. 63,90 lakhs and our expenditure at Rs. 63,75 lakhs. On the basis of data now available, the income has been estimated at Rs. 69,49 lakhs and expenditure at Rs. 66,84 lakhs. As gainst the surplus of Rs. 15 lakhs anticipated, we now expect a surplus of Rs. 2,65 lakhs. There will be an increase of Rs. 2,95 lakhs under Sales Tax and Rs. 28 lakhs under the Motor Vehicles Tax, but under the Agricultural Income Tax as extended to non-plantation areas, our receipts will be less.

"The Government of India have intimated that our share in the Central Taxes would be more than what we had expected.

"When we presented the Budget for 1958-59 the Government of India had not accepted the recommendations of the Finance Commission regarding the rate of interest on Central Loans. They have since accepted a modified proposal which will

(Continued On Page 7 Column 5)

Budget At A Glance

ABSTRACT OF MADRAS BUDGET ESTIMATES FOR 1959-60

(in lakhs of rupees)

	Budget Estimate, 1958-59. Rs.	Revised Estimate, 1958-59. Rs.	Budget Estimate, 1959-60. Rs.
(A) REVENUE AND EXPENDITURE ON REVENUE ACCOUNT.			
(1) Revenue	62,70.28	69,48.98	73,08.36
(2) Expenditure	63,75.54	66,84.23	71,69.10
(3) Deficit (—) or Surplus (plus)	— 1,05.26	plus 2,64.75	plus 1,39.26
(4) Estimated proceeds of additional Taxation measures.	1,20.00	..	..
(5) Net Surplus (A)	plus 14.74	plus 2.64.75	plus*1,39.26

* The recent enhancement of dearness allowance will wipe out more or less completely the revenue surplus in 1959-60.

	Budget Estimate, 1958-59.	Revised Estimate, 1958-59.	Budget Estimate, 1959-60.
(B) TRANSACTIONS OUTSIDE THE REVENUE ACCOUNT.			
(1) Receipts—			
(a) Open market loans—less repayments.	5,85.19	4,90.05	5,35.78
(b) Loans from the Government of India, and certain autonomous bodies—less repayments.	10,75.81	18,23.06	12,91.66
(c) Overdraft from the Reserve Bank	..	..	..
(d) Deposits, etc., transactions including sale of securities in reserves (net).	74.24	5,19.08	5,53.18
(e) Contingency Fund	..	16.00	..
Total, Receipts	17,35.24	28,48.19	23,80.62
(2) Disbursements—			
(a) Capital expenditure including State Trading Schemes	9.73.17	12,06.52	10,58.61
(b) Loans to local bodies, etc.—net disbursement.	7,62.42	13,98.42	13,25.91
(c) Repayment of overdraft from the Reserve Bank	..	2,32.23	..
(d) Other floating loans	..	1,50.00	..
(e) Deposits, etc., transactions	..	..	..
(f) Contingency Fund	..	..	..
Total, Disbursements	17,35.59	29,87.17	23,84.52
(3) Receipts minus Disbursements (B)	— .36	— 1,38.98	— 3.90
Total transactions (Net) (A) plus (B)	plus 14.39	plus 1,25.77	— 3.90
(C) BALANCES.			
(1) Opening Balance	50.50	— 36.07	89.70
(2) Closing Balance	64.89	† 89.70	† 85.80

† The estimated closing balance in the Revised Estimate, 1958-59, and in the Budget Estimate 1959-60, is exclusive of Rs. 2.00 lakhs to be held in the form of Treasury Bills of the Government of India.

Improvement In Revenue: Budget Presented In Council

MADRAS, Mar. 2

Mr. R. Venkataraman, Minister for Industries and Labour, and Leader of the House, presenting the State Government's Budget in the Council this afternoon said he hoped the members would have noted with satisfaction that it does not contain any new proposal for taxation. (The speech of the Finance Minister in the Assembly had been previously circulated in the council).

The Minister said:

"The main feature of the Budget is that our revenue position has improved We had a succession of revenue deficits from 1950-51 to 1956-57, amounting in all to about Rs. 32 crores. Year after year we had to impose additional taxes to meet the growing needs of the people and to reduce the revenue deficits to the extent practicable. While framing the current Plan, we had agreed to levy additional taxes to the extent of Rs. 13 crores. Actually, the taxation imposed during the last three years may yield about Rs. 20 crores during the current Plan period The yields from the older taxes, such as the Sales Tax and the Motor Vehicles Tax and Entertainment Tax, are also showing an upward trend. Consequently the Revenue Account of 1957-58 closed with a surplus of Rs. 341 lakhs and that of the current year is expected to close with a surplus of Rs. 265 lakhs. The budget estimates anticipate a surplus of Rs. 139 lakhs in the coming year, but this may be wiped off by the interim relief of Rs. 5 we recently gave to low-paid public servants. There may be further inroads into our resources, when the recently constituted Pay Commission makes its recommendations; but, for the present the Revenue Account seems satisfactorily balanced.

"On the Capital side of the budget also we do not at present apprehend any serious difficulty. The open market loan floated by the Government and the Electricity Board in the current year had a heartening response. The Madras Industrial Investment Corporation and the Co-operative Land Mortgage Bank were able to raise their debentures successfully. The Small Savings drive in the districts is also meeting with fair success. If these favourable conditions prevail in the coming year we may be able to meet our commitments in full and the budget has been prepared on that assumption.

PLAN PROGRESS

"The significant aspect of the budget in a planned economy is the provision made therein for implementing the Plan The Second Plan of Madras aggregated to Rs. 152 crores. We have spent Rs. 28 crores in 1956-57, 30 crores in 1957-58 and propose to spend Rs. 34.8 crores in the current year. The budget provides for an outlay of Rs. 34.6 crores in the coming year. Thus, by the end of 1959-60, we would have spent Rs. 128 crores in all, which would leave only a balance of Rs. 24 crores for the final year of the Plan. We will, in due course, devise ways and means of stepping up the outlay of the final year to make full use of the administrative competence built up earlier, but, for the present, we may note with satisfaction that our Plan is progressing according to, and even a bit in advance of, the time schedule.

"The Plan outlay of Rs. 34,64 lakhs in the coming year may be broken up into Rs. 980 lakhs on agricultural production, Rs. 972 lakhs on Social Services, and Rs. 15,12 lakhs on Industries, Power, Communications and other permanent investments.

NEW SHIFT IN CO-OP MOVEMENT

"On the side of agriculture, the various grow-more-food schemes such as the irrigation programme, both major and minor, multiplication of improved seeds, distribution of chemical fertilisers, manufacture of compost, both urban and rural, installation of electric pumpsets for lift irrigation, sinking of new wells etc., are being pushed through with vigour. A new shift is being given to the co-operative movement, which in this State has so far specialised on the credit side. It is now proposed to organise multi-purpose co-operative societies in villages to cater to the various agricultural needs of the cultivator on seeds, manures, agricultural implements, marketing facilities etc.

"On the side of Social Services, a significant development is the provision of Rs. 60 lakhs for the supply of mid-day meals for children in elementary schools. We may note with satisfaction the large measure of public co-operation forthcoming on the scheme and let us hope that we can extend it over the whole State in the near future. The urban and rural water supply schemes are also making rapid progress and substantial provisions have been made for them in the budget.

"All our power schemes are progressing rapidly and may be completed in advance of schedule. As against a provision of Rs. 53 crores for power schemes in the Plan period, we would have invested Rs. 52 crores by the end of 1959-60. The Periyar Project is almost complete and the first block of power will be released from the Kundah Project in the coming years. We continue to maintain our lead in rural electrification, with about 8,000 villages electrified and 75,000 pumpsets connected by the end of the current year. We are also making appreciable progress on all the housing schemes as detailed by the Finance Minister in his speech. Special mention may be made of the fact that Slum Clearance Scheme of Madras City is being extended to the municipalities of Salem, Madurai, Tiruchi and Coimbatore.

THIRD PLAN PROSPECTS

"In spite of many difficulties, we have on the whole made satisfactory progress on the Second Plan. The time has come when we should think of the size and shape of the Third Plan. The needs of the people are indeed many, but we have to reckon with the limitations in resources, both internal and external. The administrative machine implementing the various schemes is growing and gaining in experience. On the past performance and the present pace of growth, an expenditure of Rs. 40 crores in the final year of the current Plan is a reasonable expectation. The outlay in the first year of the new Plan should be larger, but will have to be related to the actual performance of the previous year. It should be our endeavour to accelerate the pace further thereafter according to the resources we can find in successive years.

"Hon'ble Members will undoubtedly have many useful suggestions to make on the subject and I shall be grateful to have them during the general discussion on the Budget.

"Before I close, let me refer briefly to our assets and liabilities. The Public Debt of the State now stands at about Rs. 138 crores. As against this, we have invested Rs. 88 crores on power projects and Rs. 48 crores on irrigation projects. We have also lent Rs. 37 crores to cultivators, local bodies and other public corporations. The book value of all our assets, including buildings and other miscellaneous investments, is about Rs. 190 crores, which is substantially in excess of the Public Debt. Besides, we have made adequate provision in the Revenue Budget for servicing the Public Debt. Hon'ble Members may note with satisfaction that we are increasing the contribution to the General Sinking Fund for debt redemption, by Rs. 212 lakhs in the current year and Rs. 241 lakhs in the coming year. It is only prudent that we maintain these sound traditions, because we can effect rapid development only by larger borrowings from the people and it pays us to keep their confidence."

The Council will have general discussion on the Budget Estimates for 1959-60 for five days, from Mar. 5 to 11 (on Mar. 5, 6, 9, 10 and 11). On Mar. 18, Supplementary Statement of demands and expenditure would be presented to the Council.

INDIA CHANGING FAST

Nehru's Call To Youth

LUCKNOW, Mar. 2

Prime Minister Nehru today called upon nation's youth to face the problems of the fast-changing world with courage and determination.

Mr. Nehru, who was addressing the students of the Lucknow University, said the entire world had changed on account of tremendous scientific and technological progress. In India too, a great industrial revolution was being brought about. Youth should prepare themselves to play a vital role in this revolution. They should not falter.

Mr. Nehru said, "Revolutions are not always good or helpful to humanity. Scientific and technological advancements are dangerous also if they are not synthesized with human wisdom."

Mr. Nehru referred to the problem of unemployment and said, "Students should remember that there is always a vacancy for able persons. In our country, there is dearth of able men."

Production of talented students presupposed teachers of high qualities and morals, Mr. Nehru said. The universities could produce engineers, doctors, teachers and agriculturists because the world moved on with thousands of occupations. But ultimately, it was the man of character who counted most.

The Prime Minister later left for New Delhi.

INDIAN ENVOY TO FRANCE

NEW DELHI, Mar. 2.

Mr. N. Raghavan, at present Ambassador of India to Argentine, has been appointed as Ambassador to France, the Ministry of External Affairs announced today. He will assume charge of his new assignment in May.

Mr. S. N. Maitra, till recently Deputy High Commissioner for India, Dacca and Acting High Commissioner for India in Karachi, has been appointed as Ambassador of India to the Philippines. He will assume charge of his new assignment in April 1.

Dhebar To Serve On Planning Commission?

RAJKOT, Mar. 1.

The former Congress President, Mr. U. N. Dhebar, is likely to be appointed a member of the Planning Commission, it is reliably learned. Sources close to Mr. Dhebar indicate that an offer to this effect has been made to him and his acceptance is awaited.

It is expected Mr. Dhebar may be assigned the portfolio of agriculture in the planning body.

Mr. Dhebar is already the Chairman of the Planning Sub-Committee of the All-India Congress Committee.—NAFEN.

"One of the founders of modern India..."

"Some of our young people are very brave because it is easy to be brave when (there is an) appropriate climate for it. Difficulties come when you are brave by yourself, not in a crowd. When you have to give the lead in action, in ideas—a lead which does not fit in with the climate of opinion—that is true courage...and it is this type of courage and vision that Jamsetji Tata showed and it is right that we should honour his memory and remember him as one of the founders of modern India.

"I have just said that we have our Planning Commissions today, and we have our 5-year Plans...but Jamsetji Tata formed himself into some kind of a Planning Commission and began his own—not 5-year—but a much bigger Plan."

Jawaharlal Nehru, speaking at the Golden Jubilee Celebrations of the Indian Steel Industry at Jamshedpur on 1st March, 1958

Issued on the 120th Birth Anniversary of the Founder, Jamsetji Nusserwanji Tata, by The Tata Iron and Steel Company Limited

TN 3450

COMMERCIAL NOTES:

WEST COAST PAPER

It is gratifying to hear that the West Coast Paper mills has been able to make good and rapid progress. There seem to be no grounds for any doubt about the quick work done by the company despite some unforeseen difficulties. It now appears that the teething troubles are over and that by this time next year one should be able to hear from the directors greater progress in all spheres.

In the absence of the chairman Mr. S. L. Gangur, Mr. G. D. Somani presided over Monday's annual meeting of the company in Bombay. He said the main difficulty was the inadequate facilities offered by the Alnavar-Dandeli line which made transportation of materials rather difficult. Rainfall too was very heavy in the 1957-1958 monsoon season. There were difficulties in getting scarce material like steel. Labour force was difficult to obtain. On top of all this, cost of machinery went up due to the escalator clause. The total delay, Mr. Somani said, was about six months.

This delay and other difficulties seem, however, to be more than offset by the quality of the factory's output of paper, which is said to have been well received in the market.

Mr. Somani said the final stage in commissioning all sections of the plant had been reached. By the end of February, about 700 tons of paper had been produced, half of which was from indigenous pulp. The economic working of the whole unit, Mr. Somani said, depended on the smooth working of the chemical recovery plant. But, with the expected commissioning of this section by the end of next month, the chairman hoped that the whole unit would start working to full capacity by June.

CALCUTTA MARKETS:

Shares Move Erratically

CALCUTTA, Mar. 2

The Calcutta Stock Exchange witnessed wide fluctuations in the post-budget session today and prices moved erratically in speculative scrips. New details and interpretation of the budget touched off selling and prices of Indian Iron dropped to the lowest of Rs. 22.40 xr to close at Rs. 22.56 xr. The rate after the official closing was Rs. 22.65 xr. The turnover was good. The closing atmosphere was still one of uncertainty about the precise interpretation of some of the budget proposals regarding company finances.—FOC.

SECURITIES: Three p.c. (1986) 74.30; 3 p.c. Paper 72.56; 3 p.c. (1959|61) 99.20 sl; 3 p.c. (1970.75) 90.75 sl; 4 p.c. U.P. Loan (1964) 100.10.

BANK: Punjab Nat. 23.56.

COTTONS: Jayshree Text 8.75; Kesoram 12.

COALS: Bengal 288; Bharat 6.87; Burrakur 17.50; Central India 7.56; Dhemo Main 9.25; East India 24; Karanpura Coal 115; Pench Valley 24.25; Western Bengal 6.06.

JUTES: Dalhousie 135; Kelvin 238; National 25.50; Nellimarla 12.19; Nuddea 57.25; New Central 12.75; Presidency 5.94; Union 210 xd.

ENGINEERINGS: Ind. Iron 22.56; Ind. Iron (New) 22.12 sol; Kumardhubi Eng. 9.25; Marshall 5.93; Text Mach. 21.30.

MISCELLANEOUS: Burma Mines 1.66; Cons Tin 0.49; Ind. Copper 3.67; Karanpura Dev 12.44; Metal Corpn. 9.19; Dalmia Cement 10.06; Jaipur Udyog 10.25 xd; Sone Valley 5.44; Alkali and Chem 19; Cal Elec. 14.81; Alum. Corpn. 11.06; B.I.C. 5.84; Hind. Lever 28.25; Dunlop 29.80; Hind. Motor 7.94; Imp. Tobacco 11.65 ct; Ind. Cable 29.37; Jard. Henderson 78; Martin Burn 29.69; Nat. Rolling 13.31; Nat. Tobacco 13.94; Rallis India 51.75; Rohtas Ind. 19.25; B.B. Petrol 1.78; India Paper Pulp 21.12; Shree Gopal 16; Orient Paper 32.45; Sirpur Paper 13.12; India Steam 14.31.

SUGARS: Carew 8.37; Shree Krishna 10.06.

TEAS: Bishnauth 19.87; Birpara 158 sl; Eastern Cachar 4.12; Hantopara 126 sl; Hasimara 23.37; Jutlibari 19.75; Loobah 3.12; Methoni 21.44; Nagaisuree 136; Namburnadi 14.25; New Samanbagh 22.75; New Terai 16.25; Rajabhat 18.50; Ranicherra 17.50; Sapoi 22.25; Sungma 16.—PTI.

JUTE GOODS IDLE

In the absence of any business, price movements in the jute goods market were mainly influenced by speculative buying in the futures market on rumours of order for sackings from West Bengal Government. The closing tone was firm.

Ready: 40" x 10 oz. Rs. 39.25 (42.93) and B Twills Rs. 39.50. July|Sept.: 40" x 10 oz. Rs. 38.15 (41.72) and B Twills Rs. 91.25. March: D W Flour Ready Rs. 108.50; March Rs. 107.75.

RAW JUTE: The market ruled steady following similar advices from the gunnies section. Only little mill business was reported done in Jungli Mesta at Rs. 17 per maund or Rs. 45.55 per 100 kgs for March|April shipment.

SHELLAC QUIET

The shellac market was unchanged today. Quotations: Pure Buttonlac Rs. 86 buyers; Pure TN Shellac 69 buyers; Kireelac 15 buyers.

GOOD DEMAND AT EXPORT TEA SALE

Offerings at today's export sale amounted to 65,574 chests. There was a good but not very general demand which weakened towards the close of the sale with prices often showing an easier tendency.

"Teas for Price" opened about four nP easier, but later declined by from six to ten nP. Low and medium broken and fannings were an irregular four to ten nP easier.

The few bright liquoring orthodox B O Ps and O Fs sold well, but the plainer sorts were up to ten nP easier with some B O Ps being withdrawn.

Useful liquoring C T Cs again sold well towards the close. Leggcut teas were up to six nP easier apart from the best which were often dearer.

Stylish whole leaf grades sold well, other kinds being generally up to ten nP easier. Darjeelings were irregularly easier, apart from the few with Autumnal flavour which were well supported.

QUOTATIONS: Clean Black Pekoe Rs. 1.92 to 1.96; Plain B P 1.60 to 1.66; Plain Fannings 1.70 to 1.76; Medium B P 1.58 to 1.62; Medium Fannings 1.68 to 1.74; Best Assam C T C B P 2.30 to 2.40; Best Assam CTC Fannings 2.60 to 2.80.

BULLION

Monday's openings: Silver Ready Rs. 191.81; Do. Forward 191.81. Mysore Gold 119.25; Sovereign 76. Monday's closing: Silver Rd. 192.25; Frd. 192.25; Mysore Gold 119.50; Sov. 76.—PTI.

BOMBAY MARKETS

Industrials Recede to Pre-Budget Levels

From Our Bombay Office

BOMBAY, Mar. 2.

COMPARATIVELY fewer counters were traded in on the Bombay Stock Exchange on Monday. Sentiment was rather nervous in view of the adverse interpretation put on the Budget proposals on second thoughts.

The volume of business during the one-hour session was not enough for a post-Budget session. Bulls were anxious to get rid of their possessions, but bears remained inactive without being eager to cover at decline their previous sales.

Although no individual share attracted particular attention, almost all the popular counters were active. The interpretation put on the change in corporate taxation is somewhat on the following lines despite the fact that most of the good companies might pass on the income-tax advantage to the shareholders by increasing the dividends. Shareholders are likely to lose 25 to 26 per cent since, for example, a dividend of Rs. 100 plus income-tax voucher at 31-1|2 pies per rupee when grossed would be equal to Rs. 146. In future every dividend received will be taxable.

Further, in order perhaps to stop tax evasion even the taxable dividend is subject to a flat rate deduction of 30 per cent for which the company will give a reimbursement certificate I.E. a dividend of Rs. 70 and a reimbursement certificate of Rs. 30. This latter will be then credited to the account of the assessee.

Banks and insurance shares were neglected. Electrics were steady. Preferences were dull, while the gilt-edged market too was quiet.

SECURITIES: 3 p.c. 1986 (or later) 74.30; 3 p.c. 1959|61 99.70; 3 p.c. 1963|65 96.80; 3 p.c. 1964|67 3 p.c. 1966|68 93.85 3 p.c. 1970|75 90.95 3-1|4 p.c. 1962 99.15; 3-1|2 p.c. 1961 100.10; 3-1|2 p.c. 1963 99.95 3-1|2 p.c. 1964 99.80; 3-1|2 p.c. 1965 99.60; 3-1|2 p.c. 1967 99.05; 3-1|2 p.c. 1968 98.95; 3-3|4 p.c. 1967 100.80; 3-3|4 p.c. 1968 100.60; 3-3|4 p.c. 1974 100.60; 3-3|4 p.c. 1974 98.75; 4 p.c. 1960|70 100.80; 4 p.c. 1972 101.55; 4 p.c. 1973 101.45.

BANKS: Central New 60.20.

ELECTRICS: Ahmedabad Electric 97.80; Amalgamated Electric 11.04; Surat 100.14; Tata Hydro 124; Tata Power 12.10.

TEXTILES: Apollo 1.18; Bombay Dyeing 57.50; Central India 86; Century 437.50; Finlay 267; India United Ordy. 8.72; India United Defd. 10.08; Indore Malwa 98.50; Kohinoor 233; Model Nagpur 160; Sree Niwas 140; Simplex 168; Standard 420; Svadeshi 202.50; Tata Mill 34.25.

STEELS: Indian Iron 26.65; Tata Ordy. 175.75; Tata Steel new 174.

CEMENTS: ACC 145; Orissa 14.

SUGARS: Belapur 176; Phalton 146.50; Walchandnagar 275; Maharashtra 178.

MISCELLANEOUS: Alcock Ashdown 256; B.B. Petrol 1.76; BIC 5.68; Bombay-Burmah Old 481; Great Eastern 25.24; Guest Keen 37.50; Hindustan Lever 28.15; Indian Oxygen 24.50; Indian Copper 3.66; National Rayon Ordy. 245; Premier Automobiles 94; Premier Construction 235; Scindia 20.36; Tata Locomotive 173.50; Tata Oil 45; Voltas 144.56; Wimco 188.50.

BULLION HARDENS: MARGIN IN GOLD

Opening lower, Bullion Futures developed a hardening tendency presumably on substantial spot house buying and nervous short covering. The volume of business was quite large.

Gold Phagan, after opening As. 2. lower at Rs. 117-7, receded to Rs. 117-6-6, but later rose gradually to Rs 117-12 on persistent spot house buying and closed at the best levels of the day. A margin of Rs. 10 per tola came into operation because the spread between the two settlements exceeded by As. 8.

Silver Phagan also opened lower at Rs. 194-5 against the previous closing of Rs. 194-7 and improved gradually to Rs. 195 on short-covering and some Calcutta buying and closed at the highest levels of the day.

In kerb, however, both Silver and Gold advanced further to Rs. 195-4 and Rs. 117-14 respectively.

Monday's Price Range

PHAGAN SETTLEMENT

SILVER: 194-5, 195, 194-5, 195

GOLD: 117-7, 117-12, 117-6-6, 117-12.

CHAITRA SETTLEMENT

SILVER: 194-8, 195-3, 194-8 195-3.

GOLD: 116-15-6, 117-3, 116-15-6, 117-3.

OFFTAKE AND ARRIVALS

GOLD: 5,000 tolas each.

SILVER: 20 and 10 bars.

SPOT BULLION

GOLD BULLION 118-15; GOLD ABYSSINIAN 119-2; SOVEREIGN 74-6.

SILVER (.996 exact) 194-12, Do (below .996) 194-8; Do (.916) 194-12.

COTTON MARKET IDLE

In slow dealings Cotton Futures fluctuated irregularly in a narrow range. Activity was mostly professional and the volume of business was not large. But the undertone near the close was steady.

Jarilla May, after opening Rs. 2.25 lower at Rs. 655.25, receded gradually to Rs. 652.75 on tired bull liquidation and some scattered bear selling on easier spot advices. And after hovering between Rs. 653.75 and 655 for some time, it improved to Rs. 657.25 on some short-covering and moderate upcountry buying and finished at Rs. 656.12 with a steady tone. In kerb dealings it hardened to Rs. 658.

The March contract, which was quoted at a discount of Rs. 1.25 in the start, was later mentioned at a discount of Rs. 2.50; but the spread between the two contracts narrowed down again near the close to Rs. 1.50.

The Sewri spot market continued to maintain a subdued tone. Mills were mentioned as main buyers and export house inquiry was negligible. Turnover was reported to be around 3,000 bales.

Monday's Price Range

FUTURES

Jarilla Mar. 654.50, 654.50, 652, 654.

Jarilla May 655.25, 657.25, 652.75, 656.75.

READY TRANSACTIONS

Baramati 790, Dharwar Deshi 685 K, Hansod Agmark 975 Spot R|R, Jamner Raj 970, Kundla 565, Sangrur 565 K, Akola Jora 190 K, Kekri 700 K, Bengal Fine 635 K Mar, Vijay Fine 902 K Feb.-Mar., Jamner 760, Golegaon 671, Sanand M Agmark 1,000, Porbunder Co 2 1,210 Mar., Dhanduka 683 Spot R|R, Bailingual Jayadhar 815 Mar-Apr, Ratlam 770 K, Moglai 25|32 Staple, Extra Super Fine 711, Superfine 701, Fine 691, Madhya Bharat 25|32 Staple, Extra Superfine 746, Superfine 736, Fine 726, Jagaria 895, Ellichpur 795, Digapur New 841, Akhol Jaydhar 810 Mar-Apr.

Rates At 10 p.m.

Kerb quotations (in rupees) in Bombay at 10 p.m. on Monday:

Tata Ord. 175.75 (highest 176; lowest 175.25); Ind. Iron 22.87 xr (highest 22.81 xr; Lowest 22.44 xr); B. Dyeing 57.50; Century 433; Rayon 246; B. Burmah 481 to 482; Scindia 20.36; Telco 174; Prem. Const. 235; ACC 165.

Cotton Jarilla Mar. 655 to 655.50; May 658 to 658.50.

Phagan Silver 195-2 to 195-3; Gold 117-13 to 117-14.

Castor May 135; Linseed May 32.25; G'nuts May 178.50; Feb.-Mar. 34.94 Apr.-May 35.00 to 35.25; G'nut Oils Mar. 18.56; Apr. 19 May 19.28.

Three p.c. Conv. Loan 74.25 to 74.30; 3 pc. (1970-75) 90.95; 3-1|2 pc. (1961) 100.10; 3-1|2 pc. (1964) 99.80; 3-1|2 pc. (1965) 99.60; 4 pc. (1972) 101.60; 3-3|4 pc. (1967) 99.05; 4 pc. (1973) 101.45; 3-3|4 pc. 1974 98.75.

SEEDS RISE AFTER EARLY EASINESS

Oilseeds Futures opened easy on overnight weakness induced by the bear sentiment created by the higher excise on vegetable products. But second thoughts regarding the exemption limit on oils to small crushers pushed up prices. Closings were around the highest levels of the day.

Groundnuts were firm, although the penal margin has reduced the volume of business in this with speculators ceasing to take active interest. Prices improved on hopes of a helpful export policy following the meeting of the Export Advisory Committee in New Delhi on Monday.

Fresh export promotion measures that are talked about for oils and seeds suggested hopes of permission to exporters of these to retain 10 to 20 per cent of their earnings through these exports, doubling of the export quota for expellers against oil exports, and issue of import licences for copra, coconut oil and palm oil against exports of oils and oilseeds.

Offerings of groundnuts and oil were very light because arrivals were poor.. It was suggested that stocks from Hyderabad and other producing centres were being rushed to Calcutta due to better prices there at around Rs. 1.25 per ton against the Bombay quotation of Rs. 1,480. Demand continues to be large.

The U.K. was reported to have brought about 400 tons of H.P.S. groundnuts last week at £77.

Castorseeds improved on reports of inquiries from Iron Curtain countries for about 1,000 tons of oil in addition to the 2,800 tons bought during the past couple of weeks.

Extractions were subdued locally because of poor export house inquiry. But optimism prevails that inasmuch as Indian extractions are the cheapest in the world markets now and that at present prices they can compete even with Argentina and others in the continent, foreign demand should pick up.

Linseeds were steady like the oil. Offerings were not plentiful nor was the demand much. Linseed cake continued to be easy in the absence of any encouraging foreign advice.

Cottonseeds were firm because of scarcity of supplies. Cottonseed cakes were steady.

Monday's Price Range

Castorseeds May 153.75, 154.75, 153.62, 154.62.

Groundnuts May 177.12, 178.50, 177, 178.50.

Linseeds May 32.19, 32.25, 32.19, 32.19.

Cottonseeds May 122.75, 124, 122.50, 124.

Following were the spot rates:

OILSEEDS (per cwt)

Groundnuts Quality Ready 36.25; Bold Ready 35.12; Feb-Mar. 34.87; April-May 35.62.

Castorseeds Small Ready 26.75; Bold Ready 28.75.

Linseeds Bold Ready 32.50; Feb-Mar. 32.50.

Kardiseeds Feb-Mar. 21.75.

Nigerseeds Feb-Mar. 28.

OILS (per quarter)

Groundnut Oil Ready 18.50; Jan. 18.62; Apr. 19; May 19.25.

Castor Oil Commercial 16.37; BSS 16.25.

Linseed Oil Ready 16.19.

Kardiseed Oil Ready 19.75.

Cottonseed Oil Ready 18.50 to 18.62.

Coconut Oil Ready (Colombo) 29.

OILCAKES (per ton)

Groundnut Cake Ready: Expellers 300; Mar. 315; Extraction 340.

Castor Cake Ready 225.

Cottonseed Cake Ready 285.

Linseed Cake Ready 280.

COMMODITY PRICES

Monday's commodity prices (in rupees) in different markets:

METALS (cwt): Copper Scrap Ready 212; Zinc 80; Lead 79; Brass Scrap 162; Aluminium Scrap (Gold) 1.31; Tin (quarter) 150.

BLACK PEPPER (candy): Ready 721.

SPICES (Bengal md.): Cinnamon Ready 400; Cloves 830.

CAMPHOR (lb): 10.

MENTHOL (lb): 60.50.

COPRA (candy): Alleppey 526; Alleppey 430; Milling 425.

GINGER (Bengal md.): Ready Cochin 64; Calicut 55.

MERCURY (75 lb): Ready 2350.

HESSIAN (45 x 11) (300 yards): Ready 49.

ART SILK YARN: Japan 120 D 4-14-6; 150 D 4-15-0; Italy 120 D 5-1; 150 D 5-3; 60|1 Cuprama 6-10.

60|1 Cuprama (200 lb): April 1,535; 1,546; 1,535; 1,540.

STAPLE FIBRE YARN (40 x 2) (200 lb): April 624, 624, 619, 620.

SUGAR (Ready, Indian, (2-3|4 mds): Small Grains 109.75 - 110.75; Medium 111 to 112.50; Bold 115 to 117.

MONEY MARKET

Stringent conditions continued to prevail in the short-term money market. Borrowers were many, lenders few. Business was reported to be small. Rates were unchanged at under.

Inter-bank call money: Exchange and bigger Indian banks 3-1|2 per cent. Small Indian banks 3-3|4 to 4 per cent.

Term money: One to six months 3-3|4 per cent to 4 per cent.

House money: A 7 days' notice 3-1|2 to 3-7|8 per cent.

MADRAS MARKETS:

PLANTINGS QUIET

MADRAS, Mar. 2.

In spite of the Madras Budget being favourable, plantings did not rise much as expected. Periakaramalai at 4-15 was quiet while Blue Mountain declined to 0-50. There was more interest in Cochin Malabar up to 5.95 while O.V.C. was stagnant at 4.92. As before Kil Kotagiri was firm and Consolidated Coffee improved rather sharply to 20.75.

In the industrial group, Deccan Sugar firmed up and E.I.D. was held up further. Ashok Leyland came up to 6.50 and Travancore Sugar rose to 10-60 today.

Textiles were quiet, and bank shares looked up only a little. The doubts over tax refunds on dividends led to more caution at the rise and the lack of stimulus from Bombay explains the quieter feeling developed today.—P.O.S.C.

TRANSACTIONS FOR THE DAY

GOVT. SECURITIES: 4 p.c. 1963 Mysore Loan Rs. 100.30 ct; 2 p. c. 1986 Stock 73.95 ctsl; 4 p. c. 1967 Madras Loan 100.15 ctsl; 99.95 sl. 100.15 ct; 4-1|2 p. c. 1970 Andhra Loan 101.35 ctsl; 4 p. c. 1964 Madras Loan 100.30 ctsl; 4 p.c. 1964 Madras Loan 100.20 ctsl; 4 p. c. 1968 Madras Loan 100.15 ctsl; 4 p. c. Andhra Loan 100.15 ctsl; 4 p. c. 1968 Andhra Loan 100.15 ctsl; 3-1|2 p. c. 1964 99.75 ctsl; 3 p. c. 1959-61 Cal. Loan 99.60 ct. sl.

BANKS: Indian Bank (50) Rs. 146 ct; 146.25.

FIXED INT. SECURITIES: Spencer 'B' Prefs. Rs. 1106.

SUGARS: Deccan Sugar Rs. 10.10; 10.05 ct; 10.03 ct; Mysore Sugar 43.50 ct; Chittoor Sugar [illegible] ct.

PLANTINGS: Cochin Malabar Rs. 5.87 ct; 5.91; 6.01 ct; Cuchildukey 4.90 cd; Periakaramalai 4.01; 4.05; 4.15; 4.02; Connemara 6.65 ct; Kil Kotagiri 7.31 ct; 7.65; 7.70; 7.75; 7.80; 7.85; 7.90; 7.95; 8.00; Parkside 20.75 cdct; United Nilgiri 19.35 cdct; Nonmerry 15.65 ct. sl; Lucky Valley 12.

TEXTILES: Madura Mills 25.18; 25.25 ct; Tav. Rayon 16.02, 17.10; Rajalakshmi 61.75; Anglo-French 70.75 ct.

MISCELLANEOUS: Western India Match Rs. 185.50 ctsl; Martin Burn 30.50 cd, ct; I.A.C.Ts. 7.48; 7.48 ct; Parrys Confect 3.80; Dunlop Rubber 30.25 ct; Indian Iron New 21.12; Hindustan Lever 28.00 ct; Associated Cement 8.69 ct; Orissa Cement 14.10 ct; Voltas 145 cd ct; Textool 163.50; 163.75 ct; 164.50 ct; Textile Mach. Corpn. 21.15 ct; Andhra Cement 10 sl.

BUSINESS DONE

(Non-Cleared Securities)

Indian Bank Ltd. (Rs 100) Rs. 182; Travancore Sugar Prefs. (10) 7.85; Travancore Sugar Ordy. (10) 10.40; E.I.D. Ordy. (26 sh) 34.25; Neelamalai (5) 4.50; Kallaa (2) 5; Lucky Valley (10) 12; Thirumbadi (1) 1.62; Ashok Leyland (6) 6.50.

(Cleared Securities)

Business done and closing rates are given in brackets:

Deccan Sugar (5) Rs. 10.25, (Rs. 10.25); Cochin Malabar (5) 5.95 cd, (5.95 cd); Periakaramalai (2) 4.15, 4.10, 4.15, (4.15); Cuchildukey (2) 4.92 cd, (4.92 cd); Blue Mountains (2) 3.55, (3.55); Cons. Coffee (10) 20.65, 20.75, 20.70, (20.70); Madura Mills (10) 25.50, (25.50).

DIVIDEND ANNOUNCEMENTS

Kil Kotagiri 15 p. c.; Ordy: Devashola 10 p. c.; Cochin Malabar 5 p. c.; Ordy: Thirumbadi 3-1|4 p.c. Debs.

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OIL & SEEDS

Groundnut Kernels: (per candy of 531 lbs.) Superior Rs. 173; Bold Rs. 168.

Groundnut Oil: (per candy of 500 lbs.) Loose ex-Madras godown Expeller 3 p.c. FFA Ready Rs. 329 (including excise duty of Rs. 25 per candy and sales tax) March Rs. 333.

Monday's G'nut oil closing rates: Mar. 333; April 336.50; Ready 330.

Castor Oil: (per candy of 500 lbs.) Loose ex-Madras godown Tirupathur Rs. 310; Salem 'Lotus Brown' (37-1|2 lbs.) Rs. 29.50.

Coconut Oil: (per tin of 37-1|2 lbs.) Quilon 503 Rs. 40; Kaka, Arrows Rs. 39 (Sales tax extra).

SUGAR

Sugar: Samalkot Rs. 112; Nizamabad Rs. 112.06; Vuyyur, Tanuku Rs. 111.06 (including excise duty).

BULLION

Sovereign (each). Retail price Rs 76; Pella Gold Ready (per tola) Rs 120-6; Moosa Gold Ready (per tola) Rs. 118-4; Bar Silver Ready (100 tolas) Rs. 197; Silver Retail Price (per tola) Rs. 2.

Coconut Oil Firms Up In Alleppey

ALLEPPEY, Mar. 2.

After the pre-budget hesitancy, sentiment in the coconut oil market here appeared to show an upturn today as optimism for spot and fair improvement in the daily spot inflow by sellers.

About 165 candies of spot oil were sold at Rs. 607.50 and Rs. 610 per candy for tins and Rs. 615 for drums. At close buyers were seen at Rs. 610 for tins and Rs. 5 higher for drums.

Oil forwards closed around the opening marks of Rs. 619 and Rs. 624 per candy for March and April contracts, after minor two-way moves before finish.

Oilcake was idle, but buyers were placed at Rs. 160 per candy, selling interest being reckoned at Rs. 162.50.

Copra arrivals were moderate at 800 candies and millers and traders purchased f.a.q. crushing copra at Rs. 430 to Rs. 435 per candy. 1,000 bags of Ohikka was put through in whites and Ventural at Rai Rs. 445, Rajmoong Rs. 435, Dala Rs. 435 and Vettumeni Rs. 405.

Black pepper suffered fresh mild losses on slack demand and discouraging business news from Cochin. About 80 candies arrived and sellers were seen at Rs. 725 per candy for Palai and Thekkan qualities.

Ginger was nominal at Rs. 450 per candy and ten candies of Turmeric were done at Rs. 250 per candy.

COCHIN PEPPER

COCHIN, Mar. 2.

Pepper futures declined today due to lack of support at higher levels and profit taking. Turnover was moderate. Arrivals and offtake were 40 and 5 candies. Closing prices: Ready Rs. 722; March 724.50; May 724; and ungarbled Ready 712.50 (candy).—PTI.

RAJKOT OILS & SEEDS

RAJKOT, Mar. 2. Groundnut Oil Chaitra Rs. 25.34; Ready 25.04; Jamnagar Kernels Chaitra 174.50; Dhoraji Kernels Chaitra 176.—FOC.

SURPLUS BUDGET FOR MADRAS STATE

(Continued from Page 5)

give us relief of about Rs. 50 lakhs per annum and this has been taken into account in the Revised Estimate for 1958-59 and the Budget Estimate for 1959-60.

"The budgets of the other States show that their financial position has also improved appreciably but those States have obtained substantial grants-in-aid as a result of the Award of the Finance Commission. Inasmuch as we were not so favoured the present improvement in our financial position can generally be attributed to the improvement in the economy of the State.

"In the Budget Estimate, 1958-59, we had estimated a Capital Expenditure of Rs. 9,73 lakhs. Now the estimate has gone up to Rs. 12,07 lakhs. The increase has occurred mainly under "Irrigation" (Rs. 1,04 lakhs) and under "Investment for Industrial Development' (Rs. 48 lakhs). The expenditure on the development of power is now being incurred by the Electricity Board. It is proposed to give a loan of Rs. 10,10 lakhs to the Electricity Board from the State funds. The expenditure in the current year on Power Development is expected to go up to Rs. 14,03 lakhs. The balance of the requirements will be met by the Board from its own resources. The Electricity Board raised a loan of Rs. 2,20 lakhs from the public in the current year.

RESOURCES POSITION

"No difficulty is anticipated in our resources position in the current year. 1959-60 will open with a cash balance of Rs. 90 lakhs in addition to Treasury Bills worth Rs. 2,00 lakhs.

"The Budget for 1959-60 estimates the income under Revenue Account at Rs. 73,08 lakhs and expenditure at Rs. 71,69 lakhs. This results in an increase over the Revised Estimates of Rs. 3,60 lakhs under Receipts and of Rs. 4,85 lakhs under Expenditure. The increases have occurred under various items the details of which are explained in the Budget Memorandum.

It was expected that there will be a surplus of Rs 1,39 lakhs but this will, more or less, be wiped out by the interim relief which we have given recently to the public servants.

RELIEF TO N. G. Os AND TEACHERS

"It was announced in the Governor's address that the non-gazetted Government servants and school teachers will be given an interim relief of Rs. 5 per month. This will cost the State Rs. 1,81 lakhs a year. Since this concession has been given for a portion of the current year, the total expenditure for the current year will increase by nearly Rs. 45 lakhs. The cost of this concession has not been taken into account in the estimates mentioned earlier and therefore the estimates have to be modified to that extent. A small part of this expenditure will be reimbursed as a grant from the Government of India. The exact extent of Central assistance will be clear only later.

"A Pay Commission has been constituted to go into the pay structure of Governments servants and to make suitable recommendations. I hope that the results of these recommendations will go a long way to satisfy our employees.

"I wish to announce here that the Government have decided to extend to the children of village officers with effect from 1959-60 the same educational concessions that are now being given to the children of the non-gazetted Government servants studying in the IV, V and VI forms.

"A total sum of Rs. 18,05 lakhs has been set apart for Loans and Advances in 1959-60. Out of this Rs. 8,50 lakhs will be given as loan to the Electricity Board which has a capital programme of Rs. 11,08 lakhs in 1959-60. Provision has been made for advancing Rs. 63 lakhs to the Corporation of Madras, Rs. 68 lakhs to the City Improvement Trust, Rs. 1,32 lakhs for water-supply and drainage schemes of the various local bodies, Rs. 1,93 lakhs to cultivators, Rs. 20 lakhs to handloom weavers, Rs. 30 lakhs to co-operative housing societies, and Rs. 1,31 lakhs under the Community Development schemes.

"It is proposed to float an open market loan of Rs. 6 crores during 1959-60. We expect that on the basis of the above estimates we will have at the end of 1959-60 a cash balance of Rs. 86 lakhs over and above a holding of Rs. 2,00 lakhs in Treasury Bills."

PLAN SCHEMES

Referring to the progress of schemes under the Plan, he said they had originally programmed to take up Plan schemes costing Rs. 30,47 lakhs in the current year." But the revised estimates now show that the Plan expenditure will be of the order of Rs. 34,81 lakhs. On power, we will be spending Rs. 14,03 lakhs as against Rs. 11,94 lakhs in the original estimates. Similarly, amounts larger than the original estimates have been set apart for Irrigation and Community Development schemes.

"For 1959-60, it was agreed at the discussions with the Planning Commission that we might take up works costing Rs. 33,62 lakhs. Towards this outlay the Government of India have agreed to give assistance under Loans and Grants to the extent of Rs. 18 crores. But in the Budget Estimates, the expenditure on the State Plan for 1959-60 has been put Rs. 34,64 lakhs. Larger provisions have been made mainly for Irrigation and Handloom schemes. Adequate amounts have been set apart for the other heads of development as well.

"I wish to emphasize here that if need arises, there may not be any difficulty to provide larger sums to any worthwhile scheme under any head of development. In particular, we will review the progress of work on the electricity schemes during the middle of next year and provide additional resources to the extent necessary.

UPWARD REVISION

"The expenditure on Plan schemes was Rs. 28,46 lakhs in 1956-57, Rs. 30,21 lakhs in 1957-58 and is estimated to be Rs. 34,81 lakhs in 1958-59. Next year, the Plan expenditure may be Rs. 34,64 lakhs. Thus, during the four years ending 1959-60, we would have spent Rs. 128 crores against a total Plan of Rs. 152 crores leaving only a balance of Rs. 24 crores for the last year. This means that the size of our Plan should be substantially enhanced. Economic progress can be maintained only if the Plan expenditure increases from year to year. Therefore, we have to take up this question with the Planning Commission and seek an upward revision."

Remarking that at this juncture, "when we have reached almost the final stage of the Second Plan, it is necessary to consider how best to formulate the Third Five-Year Plan," Mr. Subramaniam said the Planning Commission was now engaged on the preliminary survey necessary for framing the Third Plan.

"We have also reached the crucial stage when major decisions have to be taken about the shape and size of the State's Third Plan... The greatest obstacle to ambitious planning is our economic weakness. We are not only dependent on foreign assistance on many schemes but we are also unable to raise the necessary internal resources. Our difficulties are accentuated by the rapid growth of population. Resources for development must come out of the savings of the people, but when the people are poor there is no appreciable margin in their incomes to save. And yet we must make a beginning for otherwise the lack of resources will persist. To resolve this stalemate we should induce the people to save some how and contribute something towards building up the economy of the country. This would necessarily involve a large measure of sacrifice by the present generation. Once we are able to break this vicious circle, further development may not be as difficult as in the initial phase, because the economy would have gained sufficient internal strength."

Concluding the Finance Minister said:

"The strength and resources of the entire people will have to be mobilized towards this great task. It is not possible to do this on a party basis. Success can be achieved only if all political parties join together in this common endeavour on a national basis. On many an occasion in the past, we, in this State, have demonstrated how, irrespective of party loyalties, a common approach is possible on matters of national importance. I may therefore hope that in this great endeavour of national reconstruction, I shall be able to secure the wholehearted co-operation of all political parties so that we may jointly formulate a useful Plan for the benefit of the people."

* * *

The Assembly will have general discussion on the budget for six days commencing from Mar. 3 (Mar. 3, 4, 5, 6, 9 and 10). This will be followed by voting on grants for thirteen days from Mar. 11 to Mar. 28. On Mar. 23 supplementary demands for the year 1958-59 will be presented. On Mar. 30 and 31 Appropriation Bill and other official business will be considered.

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